



Daily Report

LAST ISSUE

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LAST ISSUE

East Europe

FBIS-EEU-96-162

Tuesday
20 August 1996

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Daily Report

East Europe

FBIS-EEU-96-162

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Albania: Socialists Preview 24 Aug Party Congress
AU2008130696 Tirana GAZETA SHQIPTARE
in Albanian 20 Aug 96 p 3

[Article by Elio Elini: "A Leaner Socialist Party Leadership"]

[FBIS Translated Text] Tirana—The Socialist Party [PS] Presidium has finally decided to put forward at the party congress on 24 August a new structure for its leadership of one chairman, one deputy chairman, and two secretaries. At its meeting yesterday, the largest opposition party's "think tank" also came out in favor of not allowing foreign delegations to take part in the congress. "Foreign delegations attended the first phase of the congress, and it is therefore not necessary for them to come to its next phase," was the common view of the presidium members. One day before the meeting of the General Management Committee, the elite of the PS also discussed the meeting's political procedure, and concentrated on the congress report that will be delivered by Deputy Chairman Servet Pellumbi—the party statute and program; and four resolutions on the elections of 26 May; on Nano's release; and on changes to the program and to the statute.

For over two hours, the Socialist Presidium discussed in detail the outline of the congress. The presidium members had no objection to the manner in which the report had been written. As he read the report, Deputy Chairman Pellumbi dealt with the need to change the party program; economic aspects, in which some of the ideas dealt with by party leader Nano in his motion would be covered; references to Marx; and the stand toward the national cause with the purpose of defining the attitude to Kosova, and an appreciation of the National Liberation War. The congress report finally received the approval of the PS Presidium yesterday, and the assessment of the General Management Committee, which will finally open its path to the congress, is expected today.

What did the PS Presidium think about the party statute? What changes will there be to it, and how will they be proposed? Presidium members decided yesterday that "all the proposed variants will be submitted to the congress for discussion." This paves the way for the congress to directly express its opinion on a range of issues involving the statute, also including the much-debated issue of the distribution of decisionmaking and management powers between the chairman and the general secretary. This is not all. The PS Presidium also paved the way yesterday for the congress to express its view of a proposal that the pyramid of the Socialist leadership should consist of one chairman, one general secretary, and two secretaries, the latter responsible

for economic issues and public relations respectively. The condemnation of Enver Hoxha and Ramiz Alia is also one of the basic points of the PS program to be submitted to the General Management Committee, and maybe also to the congress, having been given the green light by the PS Presidium yesterday. The PS Presidium thus looks as if it has finally put an end to its ambiguous attitude to the past that had arisen because of the failure of the largest opposition party to publicly condemn the old regime.

Albania: PS's Pellumbi 'Ready To Resign' at Conference

AU2008075896 Tirana ATA in English
1309 GMT 18 Aug 96

[Report by A. Frasheri]

[FBIS Transcribed Text] Tirana, August 17 (ATA)—The split inside the Socialist Party [PS] in its conference for Tirana branch was reflected until it reached the use of fists.

Servet Pellumbi, first PS deputy chairman, declared he was "ready to resign."

The apparent calmness, the conference opened with, broke up at the end, when two clans did not find the unity at the moment the PS Presidency introduced the two candidates for PS chairman for Tirana branch. Some of the delegates, supporters of Fatos Nano, began to shout and quarrel using their fists about the way the candidates should be chosen. The meeting offered different opinions for the number of candidates who were to be voted. According to the list of the introduced candidates, names of Kastriot Islami, who became a PS member only two months ago in Durrës, supporter of Nano and that of Enver Reci had been removed. Two other candidates were proposed to the conference, the present chairman Musa Ulqini and Spartak Poci both opponents of the PS leader. The nervousness and quarrelling went so far that some delegates in a protest against the presidency's acts left the conference saying "this are like the PLA [Party of Labor of Albania] conferences." "The presidency offered for candidates two Enverists," said a delegate while leaving the hall. Another delegate said that "Ulqini had the great merit of organising the PS gathering on July 30, 1993" when the former prime Minister Fatos Nano was arrested under the charge of abusing the office. This aggravated situation came right after the quietness which followed the report and the discussions. The report only described the PS activity in Tirana, stressing that important achievements were to be noted. It gave no suggestions and made no objections as decided in the PS Leading

Committee of Tirana branch, just to cover the PS splits inside it.

Opposing opinions were presented and many objections were made during the discussions on the report. The PS Deputy Chairman Servet Pellumbi at the beginning of his address opposed Nano's expression in his motion, saying that "the PS has not remained in stagnant waters." He continued saying "I congratulate the resignation of the PS Secretary General Gramos Ruci," adding that "I have prepared a statement like it and think to keep my word."

In his opinion about the last developments inside the PS, he said: "The experience of the public debate is being introduced in the party and this is not a sign of a deep crisis. In the motion and the proposals for deep changes in the statute there are often contradictory opinions." Speaking about the local elections and the boycott of the multi-party round table, Pellumbi said: "When elections are discussed, Berisha, government, and the Democratic Party are not to be trusted and we will not tolerate them. Unless all our requests are fulfilled, we will boycott the elections."

According to political analysts, the PS has boycotted the talks because of its inner split.

As Mico Papadhopulli in his discussion was saying "the PS renovation is being carried out by approaching the Marxist-Leninist and Enver Hoxha's ideas with the European social democratic ones," an Enverist from one of the galleries said "here are gathered all cowards, who do not defend the figures of Enver and Ramiz Alia." Ferdinand Arapi, in his discussion said that "the PS is the main political opposition force in Albania, but Nano's motion after elections has disturbed the party's quietness." While Arben Duka said that "the leaders are uttering slanders against each other to create clans of supporters, and the opinion we lost the elections because we have a conservative presidency is getting shape." "I do not see any change in the statute," said another one, "except leaders' rotation. We should avoid the quarrels Nano-Presidency."

The conference also discussed about FRESH (Albanian Youth Eurosocietal Forum) which, according to those who discussed had not worked well. ZERI I POPULLIT newspaper was also criticised and called "Sleeping and super bureaucratic, because it has lost itself and the

edition which had greatly decreased compared with previous period."

After many discussions at the end of the voting procedure, the conference reelected Musa Ulqini its chairman.

Albania: PD's Shehu Comments on PS 'Renovation'
AU2008150596 Tirana ATA in English
1324 GMT 20 Aug 96

[Report by Atlant Frasheri]

[FBIS Transcribed Text] Tirana, August 19 (ATA)—For the Democratic Party Leader Tritan Shehu, the Socialist Party (PS) conference for Tirana held Saturday [17 August], proved once more that a PS renovation needs a long time to be carried out.

"It was organised by former secret police, which was rather active in that conference," said Shehu. "The conference showed of an inner fight among groupings..."

During the past two weeks, conferences of the PS branches were held in the districts. Some of them supported F. Nano (socialist leader imprisoned under the charge of falsification of official documents and corruption regarding Italian aid for Albania in 1991) some others were advocates of the PS Presidency.

The contradictions in the fold of the largest opposition party were reflected so fiercely, even fists were shown in the Tirana conference.

Asked whether this fight between clans may lead to a split of the PS into other parties, Shehu said:

"It is difficult to say this. This may be a solution but I still cannot confirm anything about it because the fight in the party may lead to a destruction of clans or of a small clan, to a compromise within clans or within a weak clan or it may be a split."

Social Democratic Party leader of Italy Massimo D'Alema and Piero Fassino, in the name of the Socialist International, presented to PS deputy chairman Ilir Meta, while the latter was on a visit to Italy recently, the demand that the PS should be unequivocally reformed into a social democratic party, something which, according to analysts, is difficult for PS to be realised.

Bulgaria: Zhelev Refuses To Reassign Military Intelligence Head

AU2008085196 Sofia TRUD in Bulgarian 20 Aug 96
p 3

[TRUD staff report: "Zhelev Refused To Replace Military Intelligence Chief"]

[FBIS Translated Text] From his vacation spot of Grozden, President Zhelev told a reporter from NOSHTEN TRUD that 20 Positano Street (Sofia headquarters of Bulgarian Socialist Party) wants to replace Lieutenant General Angel Katsarov, chief of the General Staff's intelligence administration, with its own man.

On 15 August, Defense Minister Dimitur Pavlov again proposed to the president that he should issue a decree posting Gen. Katsarov to the Defense Ministry Inspectorate as its first deputy chief. Zhelev refused point blank, as he had done four months previously. The proposal was made without the consent of Colonel General Tsvetan Totomirov, chief of the General Staff, according to the president's adjutant general Stefan Dimitrov. Colonel Dachev, military attache at the Bulgarian Embassy in Athens, has been mooted for some time by BSP headquarters as Gen. Katsarov's replacement.

In Grozden, Dr. Zhelev signed 40 decrees on appointments in the Air Force and the Ground Forces. He failed to initial four decrees on appointments to the Army Inspectorate. Yesterday Prime Minister Videnov countersigned the decrees on Air Force appointments that were reported in TRUD on 16 August.

Bulgaria: Russian Navy Commander on Black Sea Situation

AU2008121896 Sofia TRUD in Bulgarian 20 Aug 96
p 10

[Article by Aysekhel Ruori on news conference by Russian Navy Commander Admiral Viktor Kravchenko with unidentified correspondents in Varna on 19 August]

[FBIS Translated Text] [Correspondent] What did you discuss at your meetings in our country?

[Kravchenko] In my talks with Vice Admiral Kontrov, we discussed the plan for military technical cooperation. The plan will be submitted to our military leadership and will start to be fulfilled next year. Because 95 percent of the Bulgarian Navy's hardware is of Russian manufacture, we will offer assistance in maintaining your vessels until your own program is implemented. In addition, our two navies will carry out joint exercises in the Black Sea next year.

[Correspondent] This past April reports appeared in international media that large quantities of toxic chemicals had been dumped off the shores of Crimea following World War II.

[Kravchenko] Isolated cases of the dumping of such materials did occur. However, because of the form of the Black Sea, they pose no risk to the environment or the human population. Very small quantities of chemicals were involved; they were dumped in this manner between 1945 and 1950, and they have now dissipated. No danger exists.

[Correspondent] Are you worried by the active presence of NATO ships in the Black Sea?

[Kravchenko] Last year, more than 25 naval ships from countries that do not border on the Black Sea visited our waters. A convention is in force that was signed in Montreux in 1936 and strictly regulates the entry of naval vessels belonging to non-Black Sea countries. This year more than 20 ships of foreign navies have entered the Black Sea to date. Of course this is not in order, and we Russians are worried by it. It is laughable when the United States describes the Black Sea as being in its zone of interests.

The navies of the Slav nations should themselves conduct such exercises and invite third countries to take part. We are apprehensive about such an active presence of NATO naval vessels that have no connection with the Black Sea.

[Correspondent] Reports in authoritative naval publications point out that the Turkish Navy is the strongest in the region. What is your comment on this?

[Kravchenko] At this stage, the Turkish Navy is a considerable force as regards numbers of vessels and especially their quality. As sailors, we estimate the correlation to be 2:1 in their favor. As soon as the political status of Russia's Black Sea Fleet has been determined, it will start to be replenished with new ships, submarines, and aircraft. Naturally, there is no sense in our striving for total supremacy, as was the case when the USSR existed—and our country's economy does not permit this. For this reason, the building up of the ships and armaments of the Navy of the Russian Federation will be carried out to the extent that our economy permits. The navy will not be large in terms of numbers of vessels and manpower, but our ships will be flexible and capable of inflicting irreversible damage on a possible enemy (at the moment we have no specific adversary).

At the present time, a global world war is impossible. Isolated regional conflicts may flare up. We will develop our armed forces on the basis of this military doctrine.

Bulgaria: Army's New Education Requirements Criticized

AU1908134096 Sofia 24 CHASA in Bulgarian
17 Aug 96 p 8

[Commentary by Emil Spakhiyski: "The General Staff as a Slaughterhouse"]

[FBIS Translated Text] Scarcely two months have passed since the publication of the regulations on professional military service in DURZHAVEN VESTNIK and the General Staff looks like a slaughterhouse.

The heads of 50 percent of the senior military men will soon be on the block. Yesterday it emerged that they lack the necessary educational qualifications for their posts.

According to the regulations, to be eligible for appointment to the post of brigade commander and above, officers have to study diligently and complete a course at general staff college.

The positions of these 50 percent have deteriorated with frightening speed. The professional military men have to sign compulsory service contracts by 30 September. This poses a terrible dilemma for the "uneducated" officers: Either they have voluntarily to agree to be demoted or they must retire. An officer who leaves the post of head of department in the General Staff, for example, cannot expect a post higher than that of a deputy brigade commander. This is humiliating. Retirement bodes an even greater disgrace, because practical experience since Ludzhev was defense minister has shown that 50-year-old colonels usually become warehouse guards.

Along the corridors of the building on Aksakov Street [the Defense Ministry], there are whispers of a purge.

The whole affair of the new requirements for posts has a smell of a put-up job. Anyone who scorned the idea of going back to school cannot fail to have realized that half of the members of the General Staff are in the same boat.

Only one hope remains for the officers facing these problems: to study, study, and study again.

At the moment, the colonels and generals are suffering from examination fever. In their offices, instead of battle plans, they are now anxiously leafing through textbooks and instructions. All of them are applying for the general staff course at the academy.

Anyone who has ever taken examinations at the Rakovski Military Academy knows all too well that the practice of accepting students is illogical. Officers who have gone through the mill say that to get in, it

is not enough to be capable, they also have to want you. Officers who failed in their first attempt to get in this year included established army figures like General Lyuben Pandev, head of an equipment supply department of the General Staff, and Colonel Pancho Shushkov, chief of the Combat Training Department. Lack of professional experience was certainly not the reason for their failure.

It is very likely that the new postings are to be made without the involvement of "troublesome" officers.

The first indications of a purge have already appeared. Defense Minister Dimitur Pavlov has already submitted 44 decrees for the president's signature. Sources in the Defense Ministry say that most of them are connected with the reform. This does not explain why half of the appointments state in funereal tones "temporarily acting in command." This term is normally used for a preretirement post. General Pandev, for example, has been expelled to an office post in the ministry.

It is no accident that one can see looks of despair or personal offense in the eyes of many generals. These humiliations cannot fail to affect the combat readiness of the entire army.

It is true that the reforms are intended to open the way for young professional officers, but such men are unfortunately few and far between. There is a shortage of platoon and company commanders. People without the necessary experience are already climbing the ladder of the hierarchy. There is a very great risk that the young professional generals will have no one to command. This cannot fail to backfire on the General Staff itself.

One is compelled to form the view that this code of regulations has been devised solely as an temporary botched-up solution, one that cannot solve the army's problems.

The document provides certain principles, but does not offer any criteria. Only clear criteria for career promotions can normalize the situation in the army. The rest of the document is devoted only to reports to higher military commissions.

Top military men claim that the Defense and Armed Forces Law and the new regulations will make military service more attractive. If this is so, it would be interesting to know why the stream of applicants to join the military schools is drying up. Considering the high cost of a civilian education and the severe economic crisis, this is strange, or rather, symptomatic.

Who wants to become a lieutenant when he sees how officers and generals are being thrown out of the service at an age when they are at the peak of their productivity?

It is no accident that the young officers were paraded to sign their contracts under the new regulations to stop them running away.

Bulgaria: Cabinet Postpones Liquidation of 5 Companies

AU2008090596 Sofia DUMA in Bulgarian 20 Aug 96 p 4

[Article by Albena Ivanova: "Cabinet Postpones Liquidation of Five Companies for Time Being"]

[FBIS Translated Text] Individual plans will be applied to five companies in the industrial sector that were previously earmarked for liquidation. Justice Minister Mladen Chervenakov announced this following yesterday's closed cabinet meeting. The companies concerned are Plama in Pleven, Mikroelektronika in Dimitrovgrad, Balkancar Holdings and its associated commercial organization, and Aviotekhnika in Plovdiv. Chervenakov added that because of Balkancar's structure as a holding organization, the cabinet must solve the problem of some of its subsidiary companies.

Industry Minister Lyubomir Dachev announced that because the state did not hold a majority share in Aviotekhnika, no decision could be taken on the company without consulting the company's Russian partner. Regarding Mikroelektronika, potential buyers have shown interest in individual production lines and installations, but not in the firm as a whole. However, since the company cannot be sold piecemeal, it will probably have to be liquidated eventually.

It emerged from yesterday's meeting that the government will attempt to privatize some of the companies earmarked for liquidation, but if this attempt fails, they will need to be liquidated. This is the case with the Plama refinery in Pleven. Mr. Dachev announced that potential Bulgarian buyers have also appeared, in addition to the known interest shown by Euroenergy and Elf Aquitaine, and their offers have already been deposited with the privatization agency.

The cabinet adopted the final version of the regulations for applying the Law on the Financial Rehabilitation of State Companies. According to Finance Minister Dimitur Kostov, the main accent is on financial discipline.

The cabinet instructed the industry and finance ministers to prepare an in-depth analysis of the state of Kremikovtsi Metallurgical Plant. In Minister Dachev's view, if the company starts paying the sums it owes to the budget in the very near future, it may be removed from the list of companies earmarked for financial rehabilitation.

Bulgaria: IAEA Official on Building 2 New Reactors

AU0608090496 Sofia STANDART NEWS in Bulgarian 6 Aug 96 p 13

[FBIS Translated Text] Two new nuclear reactors will be constructed in Bulgaria, Professor Viktor Murogov, deputy director general of the International Atomic Energy Agency (IAEA), announced. He arrived in Bulgaria yesterday to learn about the energy situation in the country. His visit happened to coincide with the first day of the operation to take samples from the metal shell of the notorious No. 1 Reactor Unit at the Kozloduy Nuclear Power Plant.

According to Murogov, the building of the new reactors was planned to prevent electricity shortages when the existing nuclear generators reach the end of their service lives. However, Yanko Yanev, chairman of the Committee for Peaceful Uses of Atomic Energy said that he was not aware of any projects for building new reactors in Bulgaria.

Regarding the doubts concerning the safety of the No. 1 Reactor, Murogov said that the reactor will operate safely until the year 2004. The results of the experiments are turning out to be much more optimistic than expected, the IAEA deputy director general said, referring to the tests already carried out last winter.

Informed experts consider that by making his statement about new nuclear units, Murogov indirectly lent support to the construction of the Belene plant in Bulgaria. So far the Bulgarian Government has not clearly stated its position on building a second nuclear plant, postponing its decision because of lack of funds. The experts recall, however, that over \$1 billion has been invested in the Belene site. The IAEA deputy director general is to meet Energy Minister Rumen Ovcharov, and the Belene issue will be one of the subjects discussed.

Bulgaria: IAEA Official on Kozloduy's Financial Problems

AU1208112596 Sofia TRUD in Bulgarian 11 Aug 96 p 3

[Article by Vesela Vaneva: "Professor Murogov: Kozloduy Nuclear Power Plant Has Financial Problem"]

[FBIS Translated Text] At the end of his five-day visit to Bulgaria, Professor Viktor Murogov, IAEA deputy director general, established that the Kozloduy nuclear power plant's problems are of a financial character. Prior to his departure from Bulgaria on 10 August, the guest stated: "The Kozloduy Nuclear Power Plant is a modern plant with a good level of production and a clear program for improving safety, but it has real financial

problems that reflect the general financial situation of the country."

The funds needed to improve nuclear safety must be incorporated into the price of electricity, but so far this has not been done in Bulgaria, the guest stated.

Yanko Yanev, chairman of the Committee on Peaceful Use of Atomic Energy, said the program proposed by the IAEA to improve the safety of Kozloduy's third and fourth reactors will be implemented at the beginning of 1997 with a small delay. The delay is due to doubts regarding the quality of some Western equipment and the late planning. The short-range program for Kozloduy's first four reactors includes a total of 60 measures. Their implementation will begin if tests on the first reactor show the reactor has a life expectancy of at least five years. Then Bulgaria will have the necessary peace of mind to think about the Belene Nuclear Power Plant, the guest stated.

Bulgaria: IAEA Official Urges Improved Safety

*AU1208120396 Sofia STANDART NEWS
in Bulgarian 12 Aug 96 p 9*

[Unattributed interview with IAEA Deputy Director General Viktor Murogov; place and date not given]

[FBIS Translated Text] [STANDART NEWS] Professor Murogov, what do you think about Bulgaria's nuclear power supply after your visit here?

[Murogov] Bulgaria could justifiably be called a crucial country in anything related to nuclear power supply problems. On the one hand, every other light bulb in Bulgaria receives power from your nuclear power plant. On the other hand, you were a real part of the former socialist nuclear power system, which disintegrated. Naturally, this created many problems for your country.

[STANDART NEWS] Do you think we should construct the Belene Nuclear Power Plant?

[Murogov] From the long-range point of view, Bulgaria has no alternative. This does not mean you should not develop other sources of energy. It is impossible to give you now a clear-cut answer regarding Belene. The decision is exclusively in the hands of the Bulgarian Government.

[STANDART NEWS] What are the nuclear power supply's current problems?

[Murogov] Bulgaria has the same problems as all other former socialist countries. The most important thing is to improve safety. The bad part is that as a rule, safety measures are being financed on the basis of the so-called residual principle, regardless of the fact that no funds

should be spared in this area. The necessary financial means must be incorporated into the price of electricity.

Bulgaria: Tests To Begin on Kozloduy First Reactor

*AU1408093596 Sofia DEMOKRATSIYA in Bulgarian
14 Aug 96 p 8*

[Article by Velina Todorova: "Simulated Tests of Kozloduy Nuclear Power Plant First Reactor Begin Today"]

[FBIS Translated Text] The so-called simulated tests of the Kozloduy Nuclear Power Plant's first reactor are expected to begin today, sources at the Committee on Peaceful Use of Atomic Energy report. The simulated tests will be used for tuning the specific instruments which will be used for cutting the templates from the reactor's casing. Today the equipment will be tuned and tested on a metal which has the same shape and thickness at the first reactor's casing.

Experts pointed out that these are practically "dry runs" of the actual test to be carried out on the Kozloduy 440-megawatt first reactor.

The third stage of the repairs on the third reactor is being implemented. The second and fourth reactors are functioning at 50-percent capacity during the summer season. The sixth reactor is functioning at 88 percent of its 1,000-megawatt capacity. It will soon be shut down for scheduled repairs. According to the timetable prepared at the nuclear power plant, the reactor will be checked, after which it could be reactivated 74 days after it was shut down.

Nuclear experts report that the problems related to transporting the fresh nuclear fuel along the Romanian part of the Danube have been resolved. Recently the two countries agreed on precisely what documents must be completed in order to receive a Romanian permit to transport the fuel. But a new problem has emerged; namely, the means for purchasing the fuel. After the planned repairs, the sixth reactor must be refueled for the winter season.

Bulgaria: Electricity Firm Seeks Funds for Nuclear Fuel

*AU1608095296 Sofia PARI in Bulgarian 16 Aug 96
p 2*

[Article by Krasina Krusteva: "National Electricity Company Continues To Search for Loan To Pay for Nuclear Fuel"]

[FBIS Translated Text] On 15 August, it became clear that the National Electricity Company (NEC) continues to seek a bank loan to pay for the nuclear fuel from

Russia. According to [Energy] Minister Ovcharov, the State Saving Bank loan project was not correct. The Bulgarian National Bank banned the loan because it does not correspond to the agreements with the IMF. The IMF also objects to a possible foreign currency loan from the DFRR [expansion unknown].

On 20 August, we must pay another \$3 million from the total of \$5 million necessary for the nuclear fuel. If by then the NEC is not able to obtain a loan from a bank, it would have to rely on its own means. This will hinder the planned repairs in the thermoelectric power plants.

Minister Ovcharov pointed out that the price of electricity and heating is linked to the foreign currency course and the inflation rate. It is impossible to maintain the same price, as in July inflation was at 23.3 percent. The minister thinks subscribers using power from the thermoelectric power plants for heating should not stop heating their apartments, but rather install thermostats. The energy experts have developed a comprehensive program for conserving heat in the apartments.

Slovakia: Parliament Drafts Declaration on NATO
AU1908134496 Bratislava SME in Slovak 17 Aug 96
p 4

"Draft Declaration of the National Council of the Slovak Republic on Slovakia's Integration Into NATO," addressed to the parliaments of NATO member countries, "prepared by the National Council of the Slovak Republic Foreign Affairs Committee"]

[FBIS Translated Text] As a newly built democratic state, the Slovak Republic is finding its place in the new, emerging European and transatlantic security environment. In these efforts, it fully subscribes to the values and principles on which NATO is based and that represent the foundation of the transatlantic alliance.

The National Council of the Slovak Republic [NRSR], as the supreme representative and legislative body of the Slovak Republic, regards NATO as the most effective organization capable of reacting adequately and promptly to the new security situation in Europe. A historic chance currently exists for the central European region to become an area of long-term development and stability, which is why the attainment of Slovakia's NATO membership is an unchanging, permanent, and incontestable priority of Slovak foreign policy, implemented since the founding of the independent Slovak Republic. Our country is one of the most active participants in the Partnership for Peace program and in the North Atlantic Cooperation Council, which it considers to be the basic framework for integration into NATO. It devotes maximum attention to its programs and activities. On the practical level of mutual relations and in an active dialogue with the alliance, the necessary political, military, and legislative steps are being taken aimed at acquiring membership of it. The Slovak Republic, as an entity of the emerging new European security architecture, is not only interested in making use of the obtained security guarantees, but wants actively to contribute to shaping a stable Euroatlantic security environment. From this point of view, one of our primary aims is for the Slovak Republic to be among the first countries that will be invited to become full-fledged members of the alliance.

The NRSR considers the building of good neighborly relations and the comprehensive development of regional cooperation to be one of the key pillars in the successful and sincere implementation of these efforts and expresses its readiness to take an active part in bringing it about.

The NRSR affirms its deep respect for your legislative body and politely asks for your support of the efforts of

the democratic Slovak Republic to become integrated into NATO.

Slovakia: FM, Polish Official Discuss NATO, EU Membership

LD1908211596 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 2000 GMT 19 Aug 96

[FBIS Translated Text] Slovak Foreign Minister Juraj Schenk received in Bratislava today Andrzej Karkoszka, state secretary and deputy minister of defense of the Polish Republic, who is in Bratislava on a three-day visit.

They noted that the two countries are ready to intensify cooperation in their integrated effort, which is aimed at entering European and Euro-Atlantic political, economic, and security structures.

Andrzej Karkoszka was also received today by Katarina Tothova, deputy Slovak prime minister, and Imrich Andrejcek, chairman of the parliamentary Committee for Defense and Security.

Slovakia: 'Goal' of NRSR Declaration on NATO Questioned

AU1908145696 Bratislava SME in Slovak 19 Aug 96
p 4

[Commentary by Robert Kotian: "Life on Mars and Common Sense in Slovakia"]

[FBIS Translated Text] The National Council of the Slovak Republic [NRSR] Foreign Affairs Committee has drafted the text of a declaration that is to be addressed to the parliaments of all NATO member countries and that requests these parliaments' support for Slovakia's integration into NATO. It would be ridiculous if the people responsible for foreign policy in the supreme legislative body of the Slovak Republic believed that anyone can be found in the parliaments in these countries who will trust the credibility of the present Slovak Government's endeavor to get Slovakia into NATO (to achieve that, the Slovak reality and prospects would have to be different). Hence, it is absolutely logical that the goal of this declaration is something completely different—to send a signal to one's own voters that the present government still seeks integration into western European security and economic structures. The next step can be nothing else but to identify the culprit responsible for Slovakia's failure to achieve this. The fact is that, if Slovakia fails in this integration task, which would mean nothing more and nothing less than the endangerment of Slovak security and economic interests, the culprit should be held personally accountable. As far as the

government is concerned, this should find an expression in its resignation. Since there is no danger of this happening, however, let it be a "consolation" for a part of Slovakia that, according to the new spokesman of the Russian president, Sergey Yastrzhembskiy, until recently Russia's ambassador to Slovakia, Boris Yeltsin is interested in further intensification of Russian-Slovak relations. Our pro-Russian oriented political elite surely understands this very well—better, for sure, than what needs to be done to save Slovakia's integration chance because, to save it, the present power would have to deny all its actions after that November night [reference to parliament session of 3 to 4 November 1994 at which the present coalition assumed control of the secret service supervisory body, the National Property Fund, and media supervisory bodies] and make it possible to look under the lid of the shameful mess it has made.

Trading in [privatization] bonds is starting at a snail's pace and, moreover, on an uphill course—but which privatizers would not wait for the decision of the Constitutional Court, which can be expected to abolish the minimum price at which the bonds can be purchased? It will definitely be better, as the prime minister said last June. To realize, however, that it will be better only for him and his faithful, the coalition's voters base would have to find connections between the phenomenon and its cause.

According to the latest discoveries, there was life on Mars and water in liquid state on the Jupiter's satellite, Europe. The discovery of common sense and responsibility in the government coalition would be a comparable feat.

Slovakia: Talks Held With Polish Deputy Defense Minister

LD1908124596 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1000 GMT 19 Aug 96

[FBIS Translated Excerpt] Andrzej Karkoszka, first deputy defense minister of Poland, arrived in Slovakia today for a three-day visit at the invitation of Slovak Deputy Defense Minister Jozef Gajdos. Correspondent Bernard Rostecky phoned in the following report.

[Begin Rostecky recording] [Passage omitted] The deputy ministers exchanged views on European security issues and the enlargement of NATO. They discussed in detail further developments in Slovak-Polish defense relations. [passage omitted]

Deputy Minister Karkoszka was also received by Slovak Defense Minister Jan Sitek, who highly praised the very good contacts of the Defense Ministry with the Polish Republic. [passage omitted] During his talks with the

Slovak defense minister, Karkoszka stressed the need to preserve good cooperation within the framework of the Partnership for Peace program and to continue developing it. [end recording]

Slovakia: Daily Comments on Postponed Meciar-Horn Meeting

AU1908184996 Bratislava SLOVENSKA REPUBLIKA
in Slovak 17 Aug 96 p 3

[Commentary by Peter Janosik: "Real Life From Above and Below"]

[FBIS Translated Text] Even if the foreign press, when observing Slovakia this week, was only excited by the assumption that the Slovak prime minister spent a part of his vacation in Russia (where he was supposed to have lobbied for the Russian ambassador to the Slovak Republic, Sergey Ystrzhembskiy, as the latter was settling in the Kremlin), the domestic press, without a single exception, was excited by the unrealized meeting between Vladimir Meciar and Hungarian Prime Minister Gyula Horn. As is generally known, they called it off at the last minute by mutual agreement. The meeting was initiated by the Hungarian prime minister, but who initiated the cancellation will apparently remain a mystery.

A mystery as a media phenomenon always provides room for speculation, and that is what happened in this case. The Slovak National Party is allegedly behind the postponement. It is still annoyed by the Hungarian-Hungarian summit that took place in Budapest at the start of last month. That summit provided the basis for "justified" demands for autonomy for the Hungarian minority, and not only the minority in Slovakia. The two prime ministers of sovereign states certainly have a lot to talk about, and it would be difficult to accept that Vladimir Meciar yielded to pressure from the Slovak National Party, only because, again allegedly, there is a difficult autumn ahead, and he needs the cooperation of and conflict-free relations with the Slovak National Party supporters like fish need water.

The just-completed treaty may have been at stake between the Republic of Hungary and the Republic of Romania. It includes Council of Europe Recommendation 1201, but with a strict interpretation, which does not provide any chance of autonomy for the 1.5 million Romanian Hungarians. Perhaps Gyula Horn himself wants to wait for its definite version, and perhaps Prime Minister Meciar does, too, as Europe is beginning to apply the same yardstick to many things.

Mutual relations between our countries are not only a reflection of Slovakia but, as has been constantly

emphasized, also a reflection—and a significant one of our southern neighbors, who have NATO membership almost wrapped up, including the appropriate dollar honorarium. In this strategic orientation of the country, Gyula Horn must think deeply on how far he can continue to yield to the influence of Pan-Hungarian ideas. Namely, modern Europe does not at all like any "great imperial ambitions." It only accepts great capital ambitions. In its conflicts with Slovakia, Romania, and the Federal Republic of Yugoslavia, Hungary is risking its own integration ambitions, which concern all of Europe and NATO. So, the meeting between Vladimir Meciar and Gyula Horn is very important, especially now when the Hungarian prime minister has said that controversial issues must be discussed and when Meciar also wants to put matters in order.

The legislative-legal "war" between President Michal Kovac and the Office of the Prosecutor General ended with the finding that the Constitution of the Slovak Republic requires some changes. A precedent was created in Slovakia for international law when the head of state granted a pardon for economic offenses. The world does not know such a procedure. If criminals and frauds are not punished, it sends a message to ordinary people that it is possible to make one's living by crime and that honest work should be avoided. It is all in the hands of the Constitutional Court, which should confirm that we are a state based on the rule of law after all. It is necessary to fight any crime competently. Our state institutions should be competent and use their competence in full. There is already such a "habit." In a movie, even the most likable outlaws do not avoid punishment. This applies even more to real life.

Slovakia: 'Diplomatic Faux Pas' Over Hungarian Reception

AU2008084196 Bratislava SME in Slovak 17 Aug 96 pp 1-2

[Article by "(mim, ik, ih)": "Was the Nonattendance of Officials at the Hungarian Reception in Retaliation for the Hungarians Nonattendance at a Slovak Reception?"]

[FBIS Translated Text] Bratislava—The fragile Slovak-Hungarian relations recorded a diplomatic faux pas on Thursday [15 August] evening when representatives from the Slovak Government and National Council of the Slovak Republic [NR SR] and senior civil servants from the Slovak Foreign Ministry [MZV SR] failed to attend a reception held by Hungarian Ambassador to Slovakia J. Boros in the Presporska Curia in Bratislava to mark the Hungarian Republic's national holiday and the 1,100th anniversary of the arrival of the Magyars in the Carpathian basin. Slovak President M. Kovac and his wife did attend. According to

well-informed circles, the minimum attendance was, evidently, in retaliation for the fact that only the deputy state secretary at the Hungarian Foreign Ministry, who is not a constitutional official, attended, on behalf of the Hungarian Government, the reception held to mark the Slovak Republic's national holiday in 1993. According to our information, 1,500 invitations to the reception at the Hungarian Embassy were issued throughout Slovakia (about 600 guests came); of these, about 50 were addressed to specific individuals at the MZV SR.

As several sources have confirmed, an internal order was issued at the MZV SR that the ministry's staff should not attend the Hungarian ambassador's reception. Of the approximately 50 staff invited to the reception, only three took part. They were all from political department B (POLB) of the MZV SR's political section, which is responsible for relations with neighboring countries. POLB did not receive the aforementioned internal order. According to our sources, MZV SR staff, including the head of Slovakia's diplomacy J. Schenk and State Secretary J. Sestak, sent their apologies last Wednesday and Thursday [7 and 8 August] (that is, the day before there was talk about a Horn-Meciar meeting) and said that they could not attend because of the summer vacation and other obligations. Prime Minister V. Meciar was in Zilina on Thursday [15 August] to present its mayor, J. Slota, with its credentials as a regional town; NR SR Chairman I. Gasparovic was in Nitra to attend the Agrokomplex '96 fair; and NR SR Foreign Committee Chairman D. Slobodnik took part in a reception on Thursday at the Indian Embassy in Bratislava, which was held before the reception at the Hungarian Embassy.

In reply to a question from SME on whether the absence of government and MZV SR representatives was not influenced by the fact that the "1,100th anniversary of the arrival of the Hungarians in their homeland" was mentioned on the invitation as one of the reasons for the reception, M. Kopka, the third secretary at the Hungarian Embassy, said: "Hungarian embassies throughout the world are holding receptions to mark this event. This has not bothered the Romanians or Croats, or even the Serbs."

We also contacted the MZV SR yesterday. We had not received a reply to our questions by our publication deadline.

Slovakia: SIS Director Refuses To Attend Kovac Ceremony

AU1908155696 Bratislava NARODNA OBRODA
in Slovak 17 Aug 96 p 2

[Report by TASR: "Ivan Lexa Rejected Slovak President Michal Kovac's Invitation to Festive Act"]

[FBIS Translated Text] Slovak Information Service [SIS] Director Ivan Lexa rejected Slovak President Michal Kovac's invitation to participate on 31 August in the festive act of bestowing state awards on the occasion of Constitution Day, a state holiday of the Slovak Republic.

In his reply to the president of the Slovak Republic, he justified his decision by saying that the National Council of the Slovak Republic had recently passed a motion of no-confidence in Michal Kovac in the post of president, and the government of the Slovak Republic called upon him to resign because of acts grossly damaging to the interests of the state he represents.

"You are a person who, in the endeavor to solve personal and family problems, flagrantly defamed state bodies of the Slovak Republic, including the state body of which I am in charge, before the court of a foreign power, and you did so without having any evidence," Ivan Lexa wrote.

The SIS director adds that, by halting criminal proceedings against persons charged with complicity in a criminal act, together with Michal Kovac's son, the president of the Slovak Republic defiled the moral and, probably, also constitutional principles of building the Slovak Republic. Ivan Lexa therefore considers it right to offer his excuse for not participating in the festive act organized by Slovak President Michal Kovac.

Slovakia: Coalition Disagrees on Need To Amend Agreement

AU1908155296 Bratislava NARODNA OBRODA
in Slovak 17 Aug 96 p 2

[CTK report: "HZDS, ZRS, and SNS Differ in Opinion on Supplement to Coalition Agreement"]

[FBIS Translated Text] Zilina/Bratislava—The government coalition in Slovakia apparently still has not clarified

the issue of a supplement to the coalition agreement. The supplement should prevent conflicts such as those that jeopardized the stability of the present government coalition two months ago. Movement for a Democratic Slovakia [HZDS] Deputy Chairman Augustin Marian Huska said that the third supplement to the coalition agreement will be drafted until September, while Association of Workers of Slovakia [ZRS] Chairman Jan Luptak denied that a supplement to the coalition agreement is being worked on. His coalition colleague from the Slovak National Party [SNS], Jan Slota, due to whom the situation in the coalition escalated to such an extent that HZDS Chairman Vladimir Meciar was contemplating changing his partners in the government or early elections, too, stated that there will not be any supplements to the existing coalition agreement. He added, however, that written agreements are being drafted pertaining to specific problems. CTK obtained the above statements from representatives of the government coalition in Zilina on Thursday, during the awarding of the charter of a regional capital to Zilina. According to Augustin Marian Huska, the coalition agreement that is to be "finetuned" in September should steer clear of "blind spots" and "the experience of the last two years should be maximized" in it. According to Jan Luptak, "everything is okay" in coalition relations and "there will not be any amendments." But everything should become clearer after Monday's coalition talks. Jan Slota sees no reason for general supplements, but he definitely considers appropriate specific agreements on specific problems raised by political life.

Hungary: President Urges People To Look to Future

LD2008130196 Budapest Kossuth Radio Network in Hungarian 1000 GMT 20 Aug 96

[FBIS Translated Text] In his festive speech for St. Stephen's Day, the president of the republic described the future facing Hungary as frightening and also, at the same time, unfathomable. However, Arpad Goencz urged unwavering progress forward. Attila Kert reports.

[Begin recording] [Kert] The president of the republic said this was a decisive era which once again could determine the future of the country for long centuries. In his speech, which was addressed to all Hungarians of the world, Arpad Goencz spoke about a responsibility similar to the founding of the state, in relation to European integration. He said the question once again, as in the time of St. Stephen, was: The future or the past?

[Goencz] A thousand years ago, Geza and Stephen [rulers who oriented Hungary towards western Europe] had to pose the question in the same way. And they too, had only the same two options in reply. If it is with Europe, then into the future; if it is without Europe—or against Europe—then into the past, into a cul-de-sac which would signify extinction.

[Kert] The president warned that the path from the past to the future was narrower and bumpier than we had thought. We can only count on understanding in respect of the final aim. We must, however, go all the way along the path, despite the rock-hard opposing interests, said the head of state, because there is no way back into the past.

[Goencz] It is a fact—and this was the case then and now—that we find it easier to feel the past as our own, we have become familiar with its dangers, we have learned to defend against them, to survive them, we have got through its testing difficulties. Its picture is now shrouded in the softened mists of the past, but survival is not now enough, we must now look to the future. It is a fact that the future is unknown, and therefore frightening.

[Kert] The president of the republic said we must take with us into Europe our language, our culture and scientific knowledge. Arpad Goencz emphasized that in Europe, only those countries are really free in which all peoples are a constituent part of the state, independent of their ethnicity. We must be aware that we are not inferior to any people in Europe, said Arpad Goencz, president of the republic, at the conclusion of his festive speech. [end recording]

Hungary: Keleti Speaks at Officers' Swearing-In Ceremony

LD2008131296 Budapest Kossuth Radio Network in Hungarian 1000 GMT 20 Aug 96

[FBIS Translated Text] The defense minister has promised hardships for those soldiers who have just graduated and had their passing out ceremony in festive surroundings at the official swearing-in ceremony outside the parliament building in Budapest. However, Gyöergy Keleti reassured the (295) second lieutenants and lieutenants that the day-to-day difficulties would only be temporary. Dora Adorjan and Gergely Alajos report.

[Begin recording] [Adorjan] Defense Minister Gyöergy Keleti promised the new officers modest financial circumstances but interesting and important tasks, and said their participation in the modernization of the army gave them a significant responsibility. Gyöergy Keleti described the upgrading of officer training as an important part of the armed forces' reform. A first step of this is the opening, on 1 September, of the National Defense University.

[Alajos] The defense minister also said that although the danger of total war had diminished, it had not disappeared completely. According to Gyöergy Keleti, the political and economic instability existing in Central Europe carries within itself the danger of numerous conflicts, but the army can only be a last resort in the maintenance of peace.

[Keleti] The Hungarian Government considers consistency in the policy of our country to be the most important element of our homeland's security.

[Alajos] The defense minister also emphasized that the most important task of Hungarian foreign policy is the establishment of good-neighborly relations and the signing of basic treaties. [end recording]

Hungary: Keleti: Conscripts' Training Levels Declining

AU1908132896 Budapest MAGYAR NEMZET in Hungarian 15 Aug 96 pp 1, 4

[Interview with Hungarian Defense Minister György Keleti by Varju; place and date not given: "There are 3,000 Fewer Conscripts"]

[FBIS Translated Excerpt] [Passage omitted] [Varju] In your view, what is the reason behind an increasingly large number of high-ranking officers now openly describing conditions prevailing in the Hungarian Army as unfortunate?

[Keleti] We have never hidden the fact that the army is in a difficult situation; just like the situation of the country cannot be regarded as rosy, either. But preserving economic and political stability is the most important thing and, therefore, sincere words are always welcome. The fact that the officers, the generals, express their opinions openly can be regarded as an important part of civilian control and I welcome the fact that this has strengthened recently.

[Varju] After all, the fact that a series of military development projects have been cancelled justifies the manifestations of warning: For example, plans to replace obsolete combat aircraft have been delayed.

[Keleti] Our combat-aircraft purchasing program has indeed been delayed, and there are quite logical arguments behind this delay, namely that we must wait for the decision on Hungary's NATO membership and we must learn the detailed requirements that NATO will formulate regarding the air force of a future NATO member country.

[Varju] Colonel Istvan Demeter, head of the Training Department of the Hungarian Army, recently declared that conscripts are being discharged without proper training because there is no money even for basic training. How is this possible? What is the reason for this?

[Keleti] We have already said this in recent years, namely that the army can save funds by dropping its large-scale exercises and thus saving their expenses. For example, we have not been calling up reserves for military exercises for two or three years and, according to our plans, company-level exercises will be the highest level to be carried out. However, this leads to serious requirements from the conscripts. In addition, I have learned two things from Col. Demeter's words: One is that he highly values the training level of our professional soldiers; the other is that we need a serious budget to finance the training of our conscripts and these funds are not available at this moment. However, this does not mean that we are discharging untrained soldiers, but it is a fact that, earlier, when we had more possibilities, our training level was higher. I think that the General Staff is responsible for the level of training.

[Varju] In your most modest evaluation, by how much should the military budget increase in order to solve the problems?

[Keleti] I do not know. It is the task of the government to see to it that the Hungarian Army fulfills the requirements stipulated by the Constitution, the Defense Law, and security policy decisions; the Hungarian Army should also fulfill the government's requirements related to Hungary's NATO membership. This needs more money and, therefore, there will be coordination in this matter in the near future. I very much hope that the government's decision will create the minimal conditions for the army's operation. [passage omitted]

Hungary: Meeting on Treaty With Romania Not Necessary

LD1908171296 Budapest Kossuth Radio Network in Hungarian 1600 GMT 19 Aug 96

[FBIS Translated Excerpt] The head of the Office of Hungarians Beyond the Borders, does not deem it necessary to call another meeting between the ethnic Hungarians living beyond the borders and the Hungarian Government offices. Titular State Secretary Laszlo Labody said this after Hungarians living in Slovakia and Romania had jointly called for another Hungarian-Hungarian summit to be convened to discuss their concerns over the planned basic treaty with Romania. Levente Sukosd reports from the boat trip organized by the Office of Hungarians Beyond the Borders.

[Sukosd] Laszlo Labody does not deem it necessary to call a Hungarian-Hungarian summit regarding the Hungarian-Romanian basic treaty. He believes that there is no serious conflict situation that will justify the urgent convening of a summit. [passage omitted]

Matyas Eorsi, the chairman of the parliament's Foreign Affairs Committee, also said it was not necessary or even recommended to hold a summit in a concrete issue such as the Hungarian-Romanian basic treaty. It is also possible that it could lead to anti-Hungarian hysteria in the neighboring countries, similar to that after the previous summit. Matyas Eorsi also told "Chronicle" that, at the opposition's request, he will call an emergency session of the parliament's Foreign Affairs Committee for next week.

B-H: Muratovic: State To Retain 'All International Functions'

LD1608203096 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 16 Aug 96

[FBIS Translated Text] The Geneva meeting held two days ago ended with the signing of one of the most important documents regarding the completion of the Bosniak-Croat [Bosnia-Herzegovina] federation and was crowned with the agreement on the dissolution of Herzeg-Bosnia. The agreement, which was signed by Presidents Izetbegovic and Tudjman and witnessed by U.S. Secretary of State Christopher, gave rise to speculation among the domestic public because of concessions that envisage the dissolution of some 30 institutions of the state of Bosnia-Herzegovina, which was the reason why our colleague Mirza Huskic interviewed Republic Prime Minister Hasan Muratovic.

[Begin recording] [Muratovic] The text of that agreement, as well as the agreement signed here yesterday, have been published. It can be seen that not a single institution is mentioned.

The Dayton agreement defines clearly the state of Bosnia-Herzegovina with all the functions and powers it will retain vis-a-vis the two entities. According to the very same Dayton agreement, Herzeg-Bosnia should have ceased to function a long time ago. So, all powers will be transferred from Herzeg-Bosnia to the federation, and if the state of Bosnia-Herzegovina has powers that are not transferred to the federation, they will also be transferred [sentence as heard]. But, it will never happen that those powers that constitute a state according to the Dayton agreement, will be transferred or that they are not discharged by the state.

[Huskic] What do the measures published yesterday, which were officially signed by the federation president and vice president and witnessed by you, mean in practice?

[Muratovic] Simply, we have defined a plan of operation, which specifies which functions and powers will be transferred to each ministry from both entities. We have not yet agreed on all issues, but only a very small number of issues is outstanding. The issues, which the ministers will be unable to resolve, will be transferred to a higher level. But the state will retain the powers and functions entrusted to it by the Dayton agreement. That is, the state of Bosnia-Herzegovina will continue to carry out all international functions. And there were no arguments about this. No one argues against the state of Bosnia-Herzegovina carrying out international functions. [end recording]

B-H: Muratovic Says Herzeg-Bosnia Would Compromise Elections

AU1908171296 Paris AFP in English 1638 GMT 19 Aug 96

[FBIS Transcribed Excerpt] The Hague, Aug 19 (AFP)—Bosnian Prime Minister Hasan Muratovic warned Monday that Bosnia's first-post war general elections next month would be compromised if a self-proclaimed Croat mini-state in the south of the country were not dissolved.

If Herzeg-Bosnia did not disappear before the September 14 poll the process of the pacification of Bosnia would be slowed down and new problems created, Muratovic said. But the prime minister said he remained convinced that "Bosnia will remain within its present frontiers and not be divided between Croatia and Serbia."

Muratovic made his comments to reporters between meetings with Dutch government leaders. [passage omitted] Muratovic appealed to Dutch leaders for more cash to rebuild post-war Bosnia, saying the amounts so far invested were nowhere near the amounts originally promised by the international community. However, The Netherlands was "one of the countries which had kept promises made at conferences by donor-nations last December and April," he said.

B-H: Muratovic, Dutch Officials Discuss Aid, Elections

AU1908181096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 19 Aug 96

[FBIS Translated Text] Republic Prime Minister Hasan Muratovic is visiting the Netherlands today. He held talks with Netherlands Prime Minister Wim Kok, Foreign Minister Hans van Mierlo, and other prominent officials of that country. They discussed the problems in the process of implementing the peace agreement for Bosnia-Herzegovina and the Netherlands' financial support for our country.

In a statement for BH PRESS, Prime Minister Muratovic stressed Bosnia-Herzegovina's gratitude to the Netherlands Government and people for the help they have been extending to Bosnia-Herzegovina during the war and now that the reconstruction of the country has started.

Prime Minister Muratovic said that holding elections in Bosnia-Herzegovina is still in danger, although the Government of Bosnia-Herzegovina fully supports the OSCE and its efforts to organize the elections on 14 September this year. Muratovic described the abolition of the parastate of Herzeg-Bosnia as the most important

part to hold the elections and to implement the Dayton agreement.

B-H: Silajdzic: Elections Will Legalize 'Results' of War

LD1708100696 London THE DAILY TELEGRAPH in English 17 Aug 96 p 14

[Article by Julius Strauss: "Elections in Bosnia 'Are Recipe for Further War'"]

[FBIS Transcribed Text] If national elections in Bosnia are not postponed from Sept 14, the country will be irrevocably divided, leading to a fresh war according to Haris Silajdzic, its former prime minister.

"First we had the arms embargo from the UN—illogical, unjust and illegal. Now the elections will legalise the results of the war," he said.

Election rules would cement the effects of ethnic cleansing and nail down the coffin of a multi-ethnic Bosnia.

"Look what happened in Srebrenica. Now that too will be legalised. If we take part in the elections we take part in the partitioning of Bosnia.

"And the result of the partition is war," he told The Daily Telegraph during an interview at the headquarters of his Party for Bosnia-Herzegovina.

Mr Silajdzic, one of Bosnia's leading liberals, became known in the West during the three-and-a-half-year Bosnian conflict as the articulate face of the Sarajevo government.

He called on the West to lift the arms embargo to let Bosnian Muslims defend themselves. This year he left the ruling Party for Democratic Action (SDA), complaining that it had become too militant.

"Why do we have to hurry and stick to Sept 14 when the conditions have not been met for free and fair democratic elections? Why hurry when we know the results will be partition?" he asked.

The civilian aspects of the Dayton accord had not been fulfilled. Refugees who tried to cross ethnic lines and return to their homes had been stoned, beaten or killed.

Freedom of the media had been limited to the ruling parties in each of Bosnia's mini-states, and opposition parties had been harassed and threatened.

If elections went ahead next month, Mr Silajdzic said, the nationalist parties in Bosnia would win. "Statements by Serb leaders leave no doubt that they will secede after the elections. The question is not whether, but how and when. How will the war criminals ever get to The Hague if we accept the results of their policies?"

He said that the Bosnian Serbs had manipulated a clause in Dayton to allow voters to poll in the place they live now. This would cement the division of his country as it would give them electoral majorities in towns that used to be mainly Muslim.

"Statistics show there are 222,000 people who will vote in their new places of residence where they occupy the houses of people waiting to return," Mr Silajdzic said.

"How can we tell the people of (the ethnically cleansed towns of) Bratunac, Visegrad, Bjeljina and Prijedor that they can never return home?"

"These elections will look democratic but they will not be. They will legalise the genocide and destruction of Bosnia."

B-H: Zubak Says Muslim Partner Must Fulfill Obligations

LD1908145596 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 19 Aug 96

[FBIS Translated Excerpt] The president of the republic has received a delegation of representatives of the Croat people in Bosnia-Herzegovina. The president said that the policies conducted so far had achieved the utmost to protect the interests of the Croat people in Bosnia-Herzegovina. Now it was necessary to make a simultaneous transfer of power from the institutions of the Croat Republic of Herzeg-Bosnia and central institutions of Bosnia-Herzegovina to federal and cantonal institutions. The transfer of power to the federation and cantons should be made in keeping with the Washington and Dayton agreements and the Geneva joint statement, the president said.

Federal President Kresimir Zubak informed the president on the process of transfer of power to the federation, pointing out that representatives of the international community finally confirmed that this was a parallel process, just as the Croat representatives had always said. [passage omitted]

The president said that the federation was in the interest of the Croat people in Bosnia-Herzegovina and in the strategic interest of the Croatian state and people, and that the Republic of Croatia would continue to adhere in full to the implementation of the Washington and Dayton agreements and to protect the interests of the Croat people in Bosnia-Herzegovina. [passage omitted]

[Correspondent Silvana Fable] Talks between Croatian President Franjo Tudjman and representatives of the Croat people in Bosnia-Herzegovina are always taking place when some important decisions for the Croat people in Bosnia-Herzegovina are to be reached, Federal

President Zubak told journalists after the talks. He added:

[Begin Zubak recording] Our joint assessment today was that the Croat side can carry out all its obligations stemming from these documents before the deadline. We agreed on ways to achieve this from the organizational and technical point of view. I believe that the Croat side will honor its obligations in full. The focus of the problem will rest with our partner [the Muslims]. If they do not manage to fulfill their part of the obligations, we will probably find ourselves in a position in which it will not be possible to build all the federal structures, despite our wishes, before the elections. [end recording] [passage omitted]

B-H: MBO Chairman on International Negotiations Process

AU1608125096 Sarajevo NTV99 Television in Serbo-Croatian 0730 GMT 16 Aug 96

[Interview with Muhamed Filipovic, chairman of the Muslim Bosniak Organization, MBO, by an unidentified interviewer on the "Oko 22" program in Sarajevo on 15 August—recorded]

[FBIS Translated Text] [Interviewer] Mr. Filipovic, as you were the first one to react to the Athens meeting between Presidents Tudjman and Milosevic, could you now tell us a bit more about that meeting, yesterday's meeting in Geneva, and today's visit by the U.S. secretary of state to Sarajevo?

[Filipovic] First of all, I would like to say that we have to be extremely cautious every time Slobodan Milosevic and Franjo Tudjman meet. Why? Because they are just an element in a very lasting process of attempts by Serbian and Croatian nationalism to extend their countries, their ethnic territories into Bosnia-Herzegovina. The history of their meetings, from the infamous one in Karadjordjevo to the Athens one, just shows that this constant in our political reality has not disappeared, that it is now in the phase of realization. What do I mean? You know that Prevlaka was discussed in Athens, and that Bosnia-Herzegovina territories were involved in that discussion. The fact is that the presidents of two neighboring countries are discussing problems connected to the territory of a third country. True, Tudjman has recognized Bosnia-Herzegovina in its borders, but it is also obvious that he considers parts of Bosnia-Herzegovina to be Croatian territory. Milosevic is in a slightly better position in this respect, as he still has not recognized Bosnia-Herzegovina, while he is trying to complete the process he started, that is, to round off homogenous and ethnically pure territory on the border between Bosnia-

Herzegovina and Serbia so as to make its secession and annexation to Serbia easier.

[Interviewer] What about the Geneva talks?

[Filipovic] I think that there was no need for a meeting such as the Geneva one. I do not see what the Bosnian position was there, why the Bosnian state, the Bosnian Government is being warned; I do not see how it could represent a factor of instability or a factor in blocking the Dayton agreement.

[Interviewer] How do you assess the U.S. secretary of state's visit to Sarajevo?

[Filipovic] If Christopher came to see what things are like here, then I am sorry that he did not have a meeting with the representatives of all the political parties in Bosnia-Herzegovina. Christopher has a very limited range of contacts here. His contacts are reduced to the ruling ones, which is the two ruling parties here, that is, the state leadership, and this makes his efforts—how shall I put it—anachronistic, and limits the depth of his knowledge about Bosnia-Herzegovina problems. As a result, his political assessments and his acts are rather meager.

B-H: Mostar Mayor Views Prospects for Independent Administration

LD1608150996 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 16 Aug 96

[FBIS Translated Excerpt] Martin Garrod, the EU administration's special envoy, announced today that an independent and unified administration will start to function in Mostar by 31 December, or in other words, the conditions will be created for the EU administration to leave the city. We asked Mostar Mayor Ivan Prskalo what has to be done in the meantime in order to ensure that both the Croat and Muslim sides are satisfied with the way the city will be run.

[Begin recording] [Prskalo] At first we will have to organize the city administration, to appoint the leading people in five ministries in the city administration, to endorse their mandate at a city council session, and then we shall start to implement the programs which we are going to draw up.

Likewise, what is very important for this transitional period, which in some sense will be virgin territory for us...[pauses] I am a bit afraid of it for one reason only: the lack of finances. Regarding this, I expect help from Garrod and the World Bank—that is, that they will be tolerant because the people of Mostar have done what the world has demanded of us and, despite some disagreements, we have formed a city administration,

and now it is up to them to be generous and to give us financial assistance for a better life for the citizens of Mostar.

[[Unidentified correspondent] How are you going to resolve the issue of personnel with respect to national affiliation?

[Prskalo] The principle that both nations must be represented must be respected, and I personally shall put forward candidates, which was one of my conditions: to put forward my candidates for these ministries. I am sure that both nationalities will be represented, and this will have to be resolved through consent by me and Mr. Safet Orucevic [mayor of east Mostar]—that is, by the Croat and Muslim sides—because it will be decided which ministry the Croats will get and which the Muslims will have, and especially with a view to the fact that the two nations have not yet become reconciled. This will be a very difficult task, but if good candidates and experts are put forward, then this will help us overcome the situation. [passage omitted] [end recording]

B-H: Mostar Mayor: We Are in Calm Waters Now
AU1608204496 Zagreb VECERNJI LIST
in Serbo-Croatian 16 Aug 96 p 7

[Interview with Mostar Mayor Ivan Prskalo by Jozo Pavkovic in Mostar; date not given: "I Will Behave Like a Manager"]

[FBIS Translated Text] The first postwar mayor of Mostar is Ivan Prskalo, and his deputy is Safet Orucevic. This was the most important decision made by city assembly members on their first session together. The 37-year-old Ivan Prskalo was born in Sid [Serbia]. He arrived in Mostar 22 years ago. After he graduated from a civil engineering college he got a job with the JP [municipal service company] "Parks," and seven years ago he was elected director of that company.

[Pavkovic] Mr. Mayor, what do you plan to do first?

[Prskalo] Mostar is a town full of problems. There are public utilities and infrastructure problems, people are unemployed; we must solve the housing problem of the war disabled; we must solve the problem of our economy. We will have to work on revitalizing companies—for which we will need both money and solid, qualified managers. I will use the first days of my mandate to get a picture of the real situation in Mostar, so that my associates and I can, based upon that, make decisions on what measures to take.

Support From Muslim Councilors, Too

[Pavkovic] You are coming from a municipal service company. For a mayor, that is an ideal experience.

However, political problems are in the foreground in Mostar.

[Prskalo] In fact, I am not a politician, but a manager, and I will try to behave like a manager. The political situation in Mostar largely depends upon the global policy of the Federation of Bosnia-Herzegovina. At no time we will go beyond that framework. As much as I know and can, I will try to follow that policy with my associates, in order that Mostar "does not produce negative phenomena" that could reflect on the totality of Croat-Muslim relations.

[Pavkovic] Nevertheless, what is your view of the future political arrangement in Mostar?

[Prskalo] Mostar has entered calm waters now. Never more will the roads take it to war. I am aware of the problems that will occur, but I am encouraged by the fact that, as the mayor, I won everybody's support, of both Croat and Muslim representatives. Therefore, they will probably have more respect for my, conditionally said, orders.

[Pavkovic] As a mayor of Croatian origin, how are you going to carry out decisions in the Muslim part, where Croats rarely go?

[Prskalo] I won also the support of the Muslim councilors, and if they sincerely want us to set up this town according to the wishes of all citizens of Mostar, then it is logical that this support will be sincere. If not, there will be more problems while solving urgent problems. [sentence as published]

[Pavkovic] Will you need the support of the third party, the European Union, too, which also has certain authorities in the municipal government in the Joint Action program?

[Prskalo] I was introduced to EU special envoy Martin Garrod after the session of the city assembly. Today is my first day at work and there have been no more concrete talks yet. However, I hope that Garrod will invite me to a conversation in which we will agree upon the ways of our cooperation. I will certainly support cooperation with EU.

Huge Administrative Apparatuses

[Pavkovic] Will your office be situated at the seat of the EU?

[Prskalo] We have not discussed details yet. For the time being I will have my office at my company premises, until that problem is solved.

[Pavkovic] Will one of your first tasks be to constitute six municipal councils?

[Prskalo] Yes, now it is essential to initiate the process of establishing those councils. Based upon the election results, there are three of Croatian majority in western Mostar, and three Muslim majority councils in the east. They will have the right to join each other, and I would recommend that for practical reasons. Respectively, six municipalities means at the same time six huge administrative apparatuses, which would certainly burden our combined poor financial base.

[Pavkovic] Does that mean that there will be western and eastern Mostar again?

[Prskalo] I see Mostar as one united town, but I am aware of the situation at the moment. It will take time to come to a situation ideal for both nations.

[Pavkovic] The beginning of your work will be burdened by the September elections. Namely, does the Croatian side think that they should also take place in Mostar?

[Prskalo] Of course, I also think that that should be. Regarding the elections, I want to say that we are not satisfied with these results, although the HDZ [Croatian Democratic Union] as a party won its 16 mandates. If the elections take place in September, the HDZ will prove both to Mostar and the Croats in Bosnia-Herzegovina that we are the victors in the town on the river Neretva.

Everybody Wants a More Peaceful Life

[Pavkovic] The impression from the first joint session of the city assembly is that the Muslims won the electoral machinery in the elections, by which they can outvote all Croatian decisions. Can that jeopardize Croatian national interests?

[Prskalo] The Croats should not worry. The Muslim side has no advantage regarding the outvoting. It can do it in certain less important items on the agenda, but it the vital decisions it cannot do that, both by the statute, or in any other way. Also, it is not without significance that a Croat is the mayor, because the mayor has big authorities.

[Pavkovic] For the first time after a long time, there has been no creating of an artificial incidental situation when important agreements are being made in Mostar. Is that one of the reasons why the city assembly nevertheless successfully brought that disputable session to its end?

[Prskalo] I think that everybody has grown tired, both the negotiators and the whole town, of these four, five years of a difficult situation in Mostar. We all want more peaceful life, and we are all trying to solve our existential problems. We all want to go to Europe, and in order to get there, first we must change ourselves.

I do not know much about what is going on in the part of Mostar under Muslim control. And as far as western Mostar is concerned, the Croats were ready to cooperate. If they had not been ready for that, it would have been misinterpreted, and it would backlash at us like a boomerang.

[Pavkovic] From time to time, mayors usually have a stroll down the streets of their towns. In Mostar this is connected to many problems. As a Croat, how do you plan to establish contacts with the common people from the eastern part of the town?

[Prskalo] It is my duty and obligation to perceive the town as one whole and to be informed about the situation in both parts of Mostar. My deputy is Safet Orucevic. Naturally, he will regularly inform me about the situation on the ground, and I will try myself to see what is going on on the eastern side.

[Pavkovic] There are only some 50 Croats in eastern Mostar. How do you see the beginning of the return of the refugees?

[Prskalo] That is the gravest problem. Many Croats used to live in eastern part of Mostar. We will do our best to restore mutual trust so that the people could start getting back, but I must point out that this process is very tightly connected to the events in the Federation.

Creating Working Conditions

[Pavkovic] The new EU mandate in Mostar, called Joint Action will expire on 31 December. It will be renewed only in case of new incidents. Will the EU leave as scheduled?

[Prskalo] If the situation improves, the mandate will certainly not be renewed. But in order to improve life, one needs more concrete financial support, which has not been sufficient so far. Then, the conditions will be created in which people will be able to work and, through that, think a lot less about the politics, and it will be easier for the politicians to do their work.

[Pavkovic] Are common facilities perhaps the first things which could connect Mostar?

[Prskalo] Of course. There are the railroad, airport, water supply, roads. However, those questions are still open and both the Muslims and the Croats must reach an agreement about the facilities that will unite us in the first, most difficult moments.

[Pavkovic] Nevertheless, one municipal, urgent Mostar question. There is no water supply in the town today, this morning. When will this problem be solved?

[Prskalo] I have already talked to the manager of the water supply company and he has promised me that the

problem would be solved soon. The problem appeared due to a higher force—a flood, which brought dirty water into the filters and pools. Until those pools and filters are cleaned, we will not be allowed to let that water run through the pipes.

[Box, p 7]

We Will Know How To Solve Problems

[Pavkovic] Mr. Mayor, on this occasion, what would be your message to the citizens of Mostar in both parts of town?

[Prskalo] I feel that I have to express my gratitude to the people who have run this town so far, and who have done their best and succeeded in solving many problems. I would like to invite the citizens of Mostar to be patient. Now that we have overcome the hard times behind us, I am sure that we will know how to solve the problems ahead of us. I am convinced that with everybody's support, we are going together into Mostar's better tomorrow.

B-H: UBSD Leader Opposes Election Boycott

AU1608112596 Sarajevo Hayat Neovisna Televizija
in Serbo-Croatian 1830 GMT 15 Aug 96

[FBIS Summary] Sarajevo Hayat Television carries in its regular 55-minute election program "Predstavljamo vam" ["We Present to You"] an interview with Sejfidin Tokic, deputy chairman of the Union of Bosnia-Herzegovina Social Democrats [UBSD], by an unidentified interviewer.

The interview starts with Tokic being asked whether the elections will be held on 14 September, to which he replies that he thinks they will be, as the date for holding the elections has been set out by the Dayton agreement. As for the conditions for the elections, he says that they are far from optimal. As a matter of fact, one can go as far as to say that not even the minimum conditions envisaged by the Dayton agreement have been met. It became clear at today's talks with U.S. Secretary of State Christopher that the United States is insisting on the elections and that the international community is determined to see the elections held, as a step toward the democratization of Bosnia-Herzegovina, that is, toward the creation of conditions for a stable peace.

Asked whether or not it is better to hold the elections under such conditions, Tokic says that it is hard to see what could replace the September elections, as Bosnia-Herzegovina, objectively speaking, needs a parliament that will be legitimate on its entire territory; it needs a government and a presidency. It has been a long time since we last had elections and the mandate of

all of us in the Assembly and the Presidency has been extended, but it is due to expire in six months. The only alternative to the elections that would be acceptable to the UBSD is to organize some sort of a direct protectorate over Bosnia-Herzegovina, if the international community were to take over completely, from protecting its international borders to creating an overall atmosphere for the elections. Since this is unrealistic, as the international community does not want to establish that kind of protectorate over Bosnia-Herzegovina, and so elections are then inevitable, then the view of the UBSD is that, if you accept the Dayton agreement, then you have to accept all of it, including the elections.

Asked whether Bosnia-Herzegovina after the elections has a chance to stop being a bargaining chip of the world powers, Tokic says that once Bosnia-Herzegovina gets mature political structures that can articulate its own interests, the interests of all its citizens on its entire territory, then, yes, it can start functioning independently.

Asked about the UBSD's view on the announcement by some political parties that they might boycott the elections, Tokic says that we would achieve nothing by boycotting the elections. The existing ruling structures, and here I am primarily talking about the Serb Democratic Party [SDS] and the Croatian Democratic Union [HDZ], are working for the disintegration of Bosnia-Herzegovina and it would suit them most if the elections were postponed. That would then put off the formation of joint legitimate bodies of Bosnia-Herzegovina, the joint parliament, government, and presidency. Therefore, the postponement of the elections would strengthen the forces that prefer the status quo and it would be hard to recreate the conditions, even as they are now, to hold fair and democratic elections.

He is then asked about the recent talks in Geneva between Izetbegovic, Milosevic, and Tudjman, and he says that all these meetings in all sorts of world capitals between politicians, that is, leaders that have pretensions to be the sole representatives of their nations, all these meetings are nothing but agreeing on what has already been agreed. The Geneva talks were supposed to be a reiteration of the Dayton agreement and therefore the key result of this meeting would be the decision to dissolve Herzeg-Bosnia. As far as I know, ever since the Washington agreement was signed, there has been little talk of anything else but the dissolution of Herzeg-Bosnia. He says that this is not happening and I understand perfectly well why it is not happening. I am very skeptical that the Federation will move one step ahead now if the HDZ and the Party of Democratic Action [SDA] with the present set of politicians are to be the two protagonists in the Federation partnership. I

have a feeling that the entire tale about Herzeg-Bosnia being dissolved on 31 August is something dished out only for the consumption of the very naive. I have seen no evidence, either during the Geneva talks or after them, that the HDZ has changed its political thinking even slightly.

The interviewer then asks Tokic who is supposed to solve the problems in the implementation of the Federation, to which he says that the Federation can be implemented very easily and quickly by the minute politicians who really are ready to articulate the interests of the Bosniak and Croatian people arrive on the scene. In all the assessments concerning the functioning or nonfunctioning of the Federation, everyone agrees that it is in the strategic interest of both the Croats and the Bosniaks and everyone agrees that the Federation is already very much alive on the ground among ordinary people—and the international community is not only not blocking it but insisting on its implementation—and so it is obvious that the problems facing the Federation are being caused by the very people that are trying to implement it. Zubak and Ganic or, for example, Mlaco and Bender [prominent SDA and HDZ deputies], are the personifications of complete impotence in the implementation of the Federation.

B-H: Croat Party Urges U.S. 'Pressure' on Ruling Parties

AU1608150196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 16 Aug 96

[FBIS Translated Text] The will of the federal partners to abide by what they have agreed on is the key [word indistinct] in breathing life in the Federation of Bosnia-Herzegovina. This was stated by Ilija Simic, vice president of the Croat Peasant Party and a candidate of the Joint List for the Federal Assembly, at the party's news conference in Sarajevo today.

Since the political will of the federal partners to breathe life into the Federation of Bosnia-Herzegovina does not exist, we appeal to the United States to exert pressure on the ruling parties to adhere to the agreements, as it has done on many occasions in the past, and to direct its pressure on the federal partner to make better conditions for democratic and fair elections, Simic said.

Simic stressed that his party welcomes the shifts made in Mostar and Geneva, but is skeptical that the agreements will not be respected, as has been the case on many occasions in the past.

B-H: Opposition Supporters Threatened, Harassed in Bihac

AU1908150496 Paris AFP in English 1456 GMT 19 Aug 96

[FBIS Transcribed Text] Sarajevo, Aug 19 (AFP)—Supporters of Bosnia's main Moslem party are harassing and threatening supporters of opposition parties in the northwestern Bihac region, UN and other sources said Monday.

A UN spokesman said a dozen opposition supporters in and around Bihac, a small town in northwestern Bosnia besieged for most of the Bosnian war, had in recent days reported having hand grenades thrown at their doors, bombs placed outside their houses and letters sent to them telling them to leave their homes.

In recent days, a woman at Velika Kladusa, who is known to be a supporter of a controversial Moslem opposition politician, Fikret Abdic, reported to UN police that she had been threatened by local supporters of the ruling Party of Democratic Action (SDA), UN spokesman Alexander Ivanko said. The woman said she knew of four other cases of harassment but said those affected were too afraid of local officials to be seen reporting the incidents to the UN police.

Ivanko said the United Nations had learned however of a case in which a hand grenade was thrown at an opposition supporters's house and of another in which a house was blown up. "Specifically, in the Bihac area, it is a pattern," said Ivanko, citing "a dozen cases already."

Ivanko last week reported three cases of harassment of opposition supporters in the town of Cazin, part of the Bihac municipality. Cazin was where former prime minister Haris Silajdzic was attacked earlier this year, allegedly by youth supporters of the SDA, as he was about to address a meeting of his opposition Party for Bosnia-Herzegovina (SBiH). Silajdzic was beaten over the head with an iron bar and has not returned to Cazin since.

B-H: SDA Denies 'Persecution' of Opposition in Bihac Area

AU1908191196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 19 Aug 96

[Report by Emir Huskic]

[FBIS Translated Excerpt] Our correspondent Emir Huskic has been investigating the increasingly frequent accusations that the representatives of the opposition parties are literally being persecuted in the Una-Sana Canton.

People in the headquarters of the ruling Party of Democratic Action (SDA) in Bihac claim that they have nothing to do with the aforementioned incidents, especially the most recent one, when the election material of the Joint List was impounded at the Izacic border crossing.

The SDA condemns all forms of violence and strives for fully democratic elections in September. This was stated by Governor Mirsad Veladzic. At the SDA promotion rally in Buzim on 17 August, Mr. Veladzic appealed before the 15,000 crowd that all those who are disturbing the work of other parties out of ignorance be stopped. This is not in the interests of the SDA, Veladzic said. [passage omitted]

In the Center of the Security Service in Bihac, we were shown the leaflet that was in fact (?confiscated) near the state border. The blue sheet of paper, 20 centimeters by 14 centimeters, contains instructions on who people should vote for and who they should vote against. The leaflet begins with a question: Can an adult person without previous sexual experience vote in the elections? [Words indistinct] should vote against the SDA as it has taken the people into Europe in wheelchairs.

Analyzing such messages more carefully, one can conclude that someone is trying to provoke the people from Krajina with cheap and [word indistinct] tricks, as it is very difficult to assume that the Joint List is advocating such principles, or what is even worse, that the people in Una-Sana Canton are at such a low intellectual level.

Next Friday, we will see another leaflet of the Joint List as was promised in the previous leaflet. Perhaps the opposition is going to come up with another accusation about persecution. This opposition now also includes Fikret Abdic, who is accused of war crimes, [words indistinct] wheelchairs that the state of Bosnia-Herzegovina will have to pay for for those who this opposition leader made unfortunate when he actively collaborated with the Serb aggressor. [passage omitted]

B-H: SPP Accuses OSCE Election Commission of Breaching Rules

AU1908183596 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 19 Aug 96

[FBIS Translated Text] At its news conference today, the Party of Economic Prosperity (SPP) of Bosnia-Herzegovina, which is based in Zenica, again warned the OSCE Provisional Election Commission that it has breached the election rules by denying the expelled and displaced persons the right to vote at the forthcoming elections in the places in which they lived in 1991.

Exceptions and concessions that are being made suit the expelled persons from the Serb Republic and the others who have occupied and keep under their control many towns in the Federation.

Safet Redzepagic, secretary general of the party and the candidate for the post of member of the Presidency of Bosnia-Herzegovina, said that this abuse has practically ended all chances for the return of the refugees to the places from which they have been expelled.

In order to prevent the division of Bosnia-Herzegovina along ethnic lines, the SPP proposes that such solutions [words indistinct]. If this is not done, the elections should be boycotted so that reintegration is not replaced by the absolute dissolution of the state.

B-H: Zvornik Committee Sends Protest Letter to Bildt

AU1908143696 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 19 Aug 96

[FBIS Translated Text] The committee for the return of expelled persons from Zvornik Municipality has sent a letter to Carl Bildt, the OSCE, and the media. Here is what the letter states:

On Sunday, 18 August, all media carried Carl Bildt's statement made after his visit to the federal part of Zvornik Municipality and the part controlled by the Serb side. Visiting the Zvornik area, Mr. Bildt was briefed in great detail on the basic problems facing these people prior to the upcoming elections. He was briefed in particular on the fact that some 11,000 voters living in Serbia, who have never lived in Zvornik, have registered to vote in Zvornik using the P-2 form. This fact is certainly going to prejudice the outcome of the September elections in this town, which had a Bosniak majority according to the 1991 census. Nevertheless, Mr. Bildt, after visiting the part of Zvornik controlled by the Serbs, stated that he had warned the Serb side to remove posters of Radovan Karadzic, who has been indicted for war crimes, or else he would prevent the Serb Democratic Party [SDS] from taking part in the elections.

Of course, it is easy to remove posters, and this is a condition for the elections. But Mr. Bildt's stand represents the closing of one's eyes before an essential problem. Why has Mr. Bildt not mentioned at all the 11,000 illegal voters who have never lived in Zvornik? The committee for the return of expelled persons from Zvornik Municipality protests against such an attitude of the high representative for the implementation of the civilian implementation of the Dayton agreement and takes the view that he is consciously trying to shift the

problem of Zvornik to the solving of technical details that can be solved, while ignoring the problems that, if not solved, will legalize the existing result of ethnic cleansing.

B-H: Liberal Party Concerned About P-2 Election Form

AU1908150196 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 19 Aug 96

[FBIS Translated Text] At a news conference of the Liberal Party of Bosnia-Herzegovina in Sarajevo, Party President Rasim Kadic said that fear of form P-2 and the enormous number of Serbs expressing the wish to vote where they currently live was growing. Fear that the international community will turn a blind eye to this fact is also growing. So is the fear that we are not going to be able to respond to this situation in an appropriate way. However, all this represents part of the Dayton agreement and we must have enough strength to face all truths about Dayton, Kadic said.

Hasib Salkic, secretary general of the Liberal Party has repeated the Liberals' stand that the arbitration on Brcko should be completed within the set deadline. Local municipal elections in Brcko should be postponed until the arbitration work is completed. The Liberal Party insists that, in the elections for higher levels, Brcko appear as one unit.

B-H: 'About 220,000' Refugees Register for Bosnian Elections

LD1708174896 Belgrade TANJUG in English 1734 GMT 17 Aug 96

["Pool" item]

[FBIS Transcribed Text] Novi Sad, Serbia, Aug. 17 (TANJUG)—About 220,000 Bosnian refugees have applied to the proper authorities with the wish to vote at Bosnia's Sept. 14 elections, Serbian Refugees Commissioner Bratislava Morina has said.

About 98,000 refugees will be enabled to vote in Yugoslavia, in keeping with regulations set by the Organization for Security and Cooperation in Europe [OSCE], which is in charge of organizing the elections.

The rest will have to go to Bosnia, Morina said in an interview to the Novi Sad daily DNEVNIK.

Morina, the president of the Yugoslav Commission for the Rights of Refugees, said Yugoslavia was fully prepared for the elections, and cared very much that they were fair and hoped they would consolidate peace in the region. She expressed regret that not all refugees had registered, as it was believed that there were about 360,000 refugees in Yugoslavia with the right to vote.

About 7,000 Muslim refugees had registered to vote in the Muslim-Croat Federation, said Morina, adding that there were Serbs who wanted to vote in Mostar and Drvar, towns in the Muslim-Croat Federation.

Morina said she hoped the OSCE would grant persons seriously ill or over 65 years of age to vote in Yugoslavia without any restrictions, as requested by the commission.

B-H: Muslims Claim 11,000 Serbs Illegally Registered To Vote

LD1908202496 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 19 Aug 96

[FBIS Translated Text] The Zvornik Municipality Office for the Return of Refugees issued a statement today in connection with High Representative Carl Bildt's statement following his visit to the part of Zvornik Municipality that belongs to the Federation and the part controlled by the Serb side.

We informed Mr. Bildt in detail about the basic problems concerning the upcoming elections. We pointed out in particular that more than 11,000 voters living in Serbia registered to vote under Form P2, but they have never lived in Zvornik, the statement stresses. It notes that this will certainly have an impact on the outcome of the elections in the town that according to the 1991 census, had a Bosniak majority.

However, the statement goes on to say, following his visit to the part of Zvornik Municipality controlled by the Serbs, Mr. Bildt said that he had told the Serb side to remove posters showing criminal Karadzic from Zvornik because otherwise he would bar the SDS [Serb Democratic Party] from running in the elections. It is easy to remove posters, if that is a condition for holding the elections. Such an attitude on Mr. Bildt's part amounts to turning a blind eye to the most important problem, the Zvornik Municipality Office for the Return of Refugees told Bildt and asked: Why did Mr. Bildt fail to mention the 11,000 illegal voters who have never lived in Zvornik? At the same time, the letter addressed to Carl Bildt and the OSCE [Organization for Security and Cooperation in Europe] office says that the Bosniaks driven out from Zvornik will continue implementing the Dayton agreement's Annex 7, which guarantees the return home.

B-H: Bosniak-Serb Local Cooperation Described
96BA0367A Sarajevo SLOBODNA BOSNA
in Serbo-Croatian 2 Jun 96 p 11

[Article by Mehmed Pargan: "Step Into the Future and Into the Serb Republic"]

[FBIS Translated Text] *Now that military operations are over, the Gradacac economy is slowly coming back to life. Besides the economy, Gradacac is also leading the way in establishing cooperation with the Serb Republic. A visit to Gradacac by people from Modrica and a return visit to Modrica are expected soon.*

A prewar city of the "green mafia"—a city of dealers, wholesale buyers, and smugglers of agricultural products, but during the war a hero city—Gradacac is beginning an entirely new life with the advent of peace. That life is defined by the outcome of the war, especially the Dayton peace, under which Gradacac is predestined, at least for a while, to exist as an "appendix," a city from which one can depart only by the same road with which one entered it, because the road does not go anywhere else. It can be expected that the people in this city are not getting used to this situation because Gradacac has always been a crossroads, a center of trade, but four years of war have brutally made people accustomed to tight living space and a narrow choice of options. Today, the city that before the war had 56,000 residents (in the municipality) is half-destroyed, with burned-out or shelled surrounding villages and estimated damage amounting to around one billion German marks [DM]. Nine thousand citizens of Gradacac fought in the 107th Brigade, and today most of them have been demobilized, with nothing but time on their hands. The bonds have not yet been distributed, the total figure is DM180 million, and nothing is being promised. Demobilized soldiers in Gradacac have no confidence in the payment book system, because only "real money" is appreciated in this city.

Difficult Period and Bright Spots

Nearly a thousand former soldiers have already found jobs in the local economy, which is slowly getting on its feet in Gradacac. Certainly a mitigating circumstance for this city—or rather for those able and willing to work—is the tradition of commercial and agricultural production activity. It is illustrative that before the war Gradacac was the city with the largest number of registered enterprises per capita; more than 2,500 trucks were registered in the private sector and the number of employed persons exceeded 7,000. Although the conditions were in place for the development of a multitude of economic activities, trade and agriculture

were predominant and ensured that the city and its populace were considered wealthy.

An overview of the Gradacac economy indicates that this city faces a difficult period of reconstruction and development, with several bright spots: Successful companies, significant investments, and interesting programs indicate that Gradacac could end up overcoming most of the difficulties and objective problems created by its physically semi-isolated position. There are 7,000 people waiting to get back to work or take their first job. It is estimated that by the end of the year half of these people could be offered jobs. The first signs of employment for demobilized soldiers have been provided by the "Bosna" Gradacac construction company, which has rehired 370 of its prewar employees and taken on 140 new workers. The principle applied in hiring new workers is interesting: A public competition was announced for workers with the desired skills, and after all the candidates had applied the list was sent to the United Organization of Fighters of Gradacac, which selected those who satisfy its criteria.

"Bosna's" criteria for hiring workers are not the only encouraging thing. The results achieved by "Bosna" in recent years indicate that annual sales are between DM15 and DM20 million, while with only 520 workers this company will soon be signing a contract with a Turkish partner worth DM30 million. The average wage at "Bosna" is between DM300 and DM400, and director Fadil Muhic, who has headed the company for 20 years, says: "If our workers receive lower wages than construction workers in Croatia and Slovenia, then we have lost the war. Anyone who says that it is enough to give a worker DM50 and a package is an enemy of this nation."

Negotiations With Serb Republic

An expansion of production, which will be inevitable this year, will create conditions for hiring new workers, primarily demobilized soldiers. More than 80 percent of the currently employed workers were in the Army, and 23 "Bosna" workers lost their lives during the war. The principle whereby the enterprise at which a fallen soldier worked pays the educational expenses of the deceased soldier's children is applied uniformly in Bosnia-Herzegovina, and "Bosna" is providing grants to all pupils and students of workers who lost their lives in the war.

A number of other companies have been established in Gradacac, and even if they are not as successful as the construction company, "Kula," "Hempro," "Namjestaj," "TMD," "Sport-nautic," "Bosnaprodukt," and "Fabrika duhana," with capacities of between 10 and 30 percent

of their prewar status, have gotten moving from a standstill and brought some of their employees back to work. "Bosnaprodukt" has already invested more than a million marks in the reconstruction of its production facilities and repairs to its machinery. Before the war it covered 60 percent of the Yugoslav market, but now it will take some time for "Bosnaprodukt's" products to become competitive outside Bosnia-Herzegovina. "Nam-jestaj," which before the war was the only producer of kitchens in Bosnia-Herzegovina, has already received startup funds from Sipad to establish conditions for restarting production.

However, all the initiatives to revive and relaunch production processes will depend primarily on whether Gradacac remains perpetually open on only one side, or whether road connections will allow or even demand an increase, widening, and greater investment in the economy of this region. People in Gradacac are aware of this, and thus, intensive negotiations are under way with representatives of neighboring municipalities in the Serb Republic in order to create conditions for free movement, trade, and the return of people to the locations where they used to live. The UNHCR is directing activities to remodel a hundred Serb houses in Gradacac and a hundred Bosniak ones in Modrica. According to the head of Gradacac Municipality, Sevk Mesanovic, the people here are not waiting for action from Sarajevo. Daily talks are being held in Gradacac, including forms of cooperation with the Serb side. Changes in the border between the entities are even being discussed on the local level, in keeping with both sides' interests. Although over the past few months Gradacac has revived and shown signs of surviving even as an "appendix," thanks to its industrious residents (but also its relatively strong lobby in Sarajevo and Tuzla), the people of Gradacac feel that this is the very place where the deadlock will be broken in establishing peace. Ultimately, they say, "the Serbs will nevertheless come to the Gradacac market for plums and plum products (which is a tradition of this city) because the Serbs cannot do without that. And God willing, we will also go to Modrica—because we cannot do without that either."

B-H: World Bank Grants \$11 Million for Serb Road, Bridge Repair

*LD1908194096 Pale Srpska Televizija
in Serbo-Croatian. 1730 GMT 19 Aug 96*

[FBIS Translated Excerpt] The international community has pledged to give aid to the Serb Republic, but only a fraction of it has been granted so far. However, after several months of talks between Serb Government representatives and the World Bank, after the presentation of plans for reconstruction and the defining of priori-

ties, we can see the first concrete results. Serb Republic Government representatives—Nedeljko Lajic, minister of transport and communications, and Finance Minister Novak Kondic—have signed an agreement on the financing of urgent repairs on the Serb Republic's infrastructure.

[Unidentified correspondent] After several months of intensive talks between experts of the Serb Republic and the World Bank, an agreement has been reached in London granting the financial means necessary to finance the urgent repair of our republic's infrastructure.

[Begin unidentified speaker recording] We will receive around \$8 million for the repair of the road network. We suggested the Ustipraca-Srbijne road, because traffic is still impossible along that road and the republic will be cut off until the work on that road is finished. Without that road we must use the roads in the Federal Republic of Yugoslavia and some people even cross some parts of the Federation, thus running high risks. [end recording]

[Correspondent] Some money has been granted for the repair of destroyed bridges on important roads.

[Begin recording] [Unidentified speaker] We managed to obtain around \$3 million for the repair of bridges. [passage omitted]

[Another unidentified speaker] This is a very favorable loan. The grace period is three years and the repayment period is 13 years. The money to repay the loan will be secured from the charges on aircraft overflights over the Serb Republic, which will yield around 49 percent of the loan. That will be a kind of mortgage. [end recording]

[Correspondent] The loan will be available this year, but the construction will not start immediately because construction companies must be chosen first after a public bidding and plans must be drawn up. The work can be expected to begin next spring.

B-H: Serb, UNHCR Officials Discuss Return of Refugees

*LD1608214396 Belgrade TANJUG in English
2113 GMT 16 Aug 96*

["Pool" item]

[FBIS Transcribed Text] Pale, Aug. 16 (TANJUG)—Republika Srpska Refugees Minister Ljubisa Vladusic and a special envoy of the U.N. High Commissioner for Refugees [UNHCR] agreed here late on Friday that the operation for the return of refugees was not proceeding as planned.

In talks on the implementation of the Dayton Accord, Vladusic and Soren Jansen Petersen discussed the problems and risks of those who decided to return.

Petersen said Serbs in Sarajevo were exposed to great pressures. He said he had told the Muslim-Croat federation interior minister at a meeting in the Sarajevo suburb of Ilidza on Friday that the federal authorities were encouraging this.

According to the 1991 census, 260,000 Muslims, 160,000 Serbs and 35,000 Croats lived in Sarajevo before the war.

Sarajevo has under the Dayton Accords become part of the Muslim-Croat federation.

Petersen told Vladusic that the abuse of humanitarian aid for political purposes had to stop.

Vladusic said the ministry and Bosnian Serb Refugee Commissariat had put tighter control on the distribution of aid.

The two officials also discussed the reconstruction of the Bosnian Serb entity and measures for dissolving collective refugee centers.

B-H: Serb Army Calls For Margetici Operation Suspension

*LD1908151896 Belgrade SRNA in Serbo-Croatian
1157 GMT 19 Aug 96*

[FBIS Translated Text] Sarajevo, 19 Aug (SRNA)—The Main Headquarters of the Army of the [Bosnian] Serb Republic today called on the commanders of NATO, IFOR [Implementation Force], and ARRC [expansion unknown] to suspend until further notice the operation to destroy 500 tonnes of ammunition, mines, and explosives from the Serb Republic Army depot in the village of Margetici near Sokolac, in line with Article 8, Paragraph 7 of Annex 1-A.

"There are several important reasons for the military decision to be made at your level; they are connected with the security of IFOR, its future peace role in the implementation of the [Dayton] agreement, and relations between IFOR and the [Serb] people and the Serb Republic Army," the letter, carried by the information service of the Serb Republic Army Main Headquarters, says. The following reasons are noted:

"The depot in Margetici existed before IFOR came to the Serb Republic. It is located 21 km from the nearest point on the line of separation between the Serb Republic and the Bosnia-Herzegovina Federation.

"The depot was reported to IFOR on 19 March. IFOR has never ordered or demanded its relocation, therefore there is no ground for [words indistinct] or failure to carry out instructions in line with Article 4, Paragraph 6 of Annex 1-A. Only defensive mines, explosives, and ammunition are being kept in the depot in Margetici;

they can neither be seen as heavy weapons nor are there any limitations in connection with them according to the Dayton and Vienna agreements; they cannot in any way threaten IFOR and its activities or other parties to the agreement.

"Members of the Italian Garibaldi brigade attempted to relocate the contents of the depot to the territory of the federation on 5 August, unannounced. Our citizens prevented this by organizing themselves in a spontaneous way. After this unwanted incident, liaison officers of IFOR and the Main Headquarters of the Serb Republic Army established communication and cooperation in order to register the depot or decide on its new location. IFOR, however, did not ask for the depot to be relocated, but for it to be inspected. The inspection was made on 7, 8, and 11 August by teams belonging to the Italian Garibaldi brigade. Their liaison officers said that the depot was legally reported and registered.

"General Walker ordered the operation to block and destroy the depot at the village of Margetici on 17 August without informing the Main Headquarters of the Serb Republic Army. The Main Headquarters were also not consulted through bilateral talks.

"Some 30 containers of unknown material were brought on 18 August to the sites prepared for the destruction of mines and explosives. This caused anxiety among the local population and the suspicion that the containers held radioactive waste and that it would be stored in the craters in which the destruction of the ammunition, mines, and explosives was taking place.

"The destruction of the ammunition, mines, and explosives is being carried out in the basin of the River Biositica, which is the only drinking water source available to the population of the town of Sokolac [northeastern Bosnia] and the Romanija plateau.

"At its session on 17 August, the Serb Republic Assembly adopted a decision obliging the Serb Republic leadership not to allow the destruction of 500 tonnes of mines and explosives belonging to the Serb Republic Army, as this is not in accordance with the Dayton agreement and may trigger an ecological disaster because of the method and the site being prepared for destruction.

"The representatives of the Serb Republic authorities and the Main Headquarters of the Serb Republic Army have not given the ARRC commander their agreement for the destruction of the mines, explosives, and ammunition in the basin of the River Biositica and they do not wish to share the responsibility for the consequences which could ensue from the further implementation of

the [Dayton] agreement because of the introduction of destructive methods.

"Generals, we propose that you decide to halt the operation to destroy 500 tonnes of ammunition, mines, and explosives in the area of the River Biostica and that you do not introduce the method of applying force at this stage of the implementation of the peace agreement, and especially on the eve of the elections. We ask you to inform the UN Security Council about your decision and the reasons for the force being applied; to inform also the signatories of the Dayton agreement and the countries witness [to the Dayton agreement] and, in line with your peace mission, engage them in resolving all the problems without the use of force," the letter sent by the Main Headquarters of the Serb Republic Army to the NATO Command, IFOR, and ARRC and transmitted to SRNA concludes.

B-H: Plavsic: IFOR's 'Volcano' Negatively Impacts Elections

LD2008152496 Belgrade SRNA in Serbo-Croatian 1253 GMT 20 Aug 96

[FBIS Translated Text] Banja Luka, 20 Aug (SRNA)—Biljana Plavsic, vice president and acting president of the [Bosnian] Serb Republic, said in Banja Luka today that Operation "Volcano," which IFOR [Implementation Force] is carrying out in the village of Margetici near Sokolac, is having a negative impact on the preparations for and holding of the forthcoming elections.

"During talks with General Walker and Gen. Clark, Admiral Lopez's deputy, we tried to present the overall picture. We pointed out the absurd situation in which a regularly declared depot can jeopardize the elections themselves," Biljana Plavsic said in a statement to SRNA.

According to her, the senior IFOR officers replied that a mechanism had been set in train which could not be halted. "All available reports indicate that this mechanism was set off in Washington and it is a sad fact that those advocating a climate of confidence are doing everything to prevent the creation of such a climate," Plavsic said. The impression is being created, Biljana Plavsic said, that the same people who were worrying about the climate that the elections would be held in, and who wished to prevent incidents, are doing everything they can to create situations in which incidents could happen.

She described as absurd the situation in which Bosnian Serb ammunition is being destroyed, while at the same time announcements are being made about ammunition shipments to the federation and a special training program for their soldiers.

"We proposed to the Supreme Command [as received] that the ammunition be relocated and not destroyed because the people have paid for it. But IFOR did not accept anything and we do not know what the consequences might be," Biljana Plavsic said. She concluded:

"We have done everything to avoid this, but IFOR representatives say that they will destroy explosives and ammunition, in spite of our warnings that such an action could have huge consequences for the overall situation."

B-H: Serbs Accuse IFOR of Destroying Environment

LD1908193296 Pale Srpska Televizija in Serbo-Croatian 1730 GMT 19 Aug 96

[FBIS Translated Excerpt] The news conference held by IFOR [Implementation Force] in Lukavica today focused on the operation to destroy the ammunition in the Serb Republic Army's warehouse in Margetici, near Sokolac. But here is another example of IFOR's careless attitude toward the Serb population, their property, and the protection of environment. We are talking about radioactive waste that IFOR members are dumping near Vlasenica.

[Unidentified correspondent] Problems caused by IFOR members stationed in [word indistinct] camp, three kilometers northeast of Vlasenica, to the residents of Vlasenica are longstanding but still unresolved. Members of one of the brigades of the 1st US Armored Regiment have created a depot near the town where they have been disposing of their waste for a long time. The waste at issue are huge amounts of rubbish of suspicious origin, which IFOR members burn every day. The consequences are frequent diseases and deaths of domestic animals in the nearby settlements.

When relevant officials in Vlasenica municipality requested that the depot be moved a reasonable distance from inhabited areas, IFOR representatives agreed, but unfortunately they have not done what they promised. [passage omitted]

This is not the only problem caused by IFOR members to the residents of Vlasenica. They cause underground vibrations by driving around in heavy armored vehicles in long columns, which results in the breaking of pipes, especially water pipes.

IFOR members say nothing to all these and similar justified accusations by municipal officials, and go as far as refusing to maintain any contacts at all.

B-H: Reorganization of Bosnian Serb Army Said in Progress

*LD1908152596 Belgrade SRNA in Serbo-Croatian
1330 GMT 19 Aug 96*

[FBIS Translated Excerpt] Novi Grad, 19 Aug (SRNA)—[Bosnian] Serb Republic Prime Minister Gojko Klicovic said in Novi Grad today that the "pressures to remove Karadzic from the Serb Republic are continuing, although he is not performing any public duties," but that "there would be no more concessions" in that respect. [passage omitted]

Speaking about the government's activities, Klicovic said that reorganization of the army is in progress, that the government will speed up efforts to pay outstanding pensions as well as state benefits for the low-income population, especially invalids and others who took part in the war. [passage omitted]

B-H: Krajisnik Predicts 'Strong' Serb Nationalist Vote

*AU1708205796 Paris AFP in English
2045 GMT 17 Aug 96*

[FBIS Transcribed Text] Sarajevo, Aug 17 (AFP)—Top Bosnian Serb official Momcilo Krajisnik said Saturday he was confident that next month's Bosnian elections would produce a strong showing by Serb nationalists, Serb radio reported.

The elections will "show backing for the policy of the Republika Srpska and the creation of close links with all Serb people," said Krajisnik after a meeting of the Bosnian Serb parliament in the Serb stronghold of Pale, the radio said.

Krajisnik, speaker of the Serb parliament, is a close ally of Serb war crimes suspect Radovan Karadzic and faithful to his brand of extreme Serb nationalism.

The ruling Serb Democratic Party, set up by Karadzic, is expected to win in the elections in the Serb-held part of Bosnia while more moderate Moslem and Croat nationalist parties are expected to win in the Moslem-Croat federation.

If the Serb hardliners did not win the elections in the Serb entity, "history would record a new uprising of the Serbs," Krajisnik warned.

Separately, the acting Serb president, Biljana Plavsic, met US ambassador to Bosnia John Menzies late Saturday to discuss the fate of prisoners of war still in detention, the radio said.

Bosnian Serb Prime Minister Gojko Klicovic was criticised Friday by international envoy to Bosnia Carl Bildt for demanding and then failing to turn up to a

meeting in Sarajevo to discuss war prisoners and the exhumations of war dead. Under the terms of the Dayton peace treaty, all sides in the Bosnian conflict should have released their last prisoners of war on January 19. In practice all sides are believed still to hold prisoners seized during the conflict.

Plavsic told the radio that the US ambassador and the NATO-led peace Implementation Force (IFOR) had asked the Serbs to provide them with lists of Serbs they believed were held prisoner by the Moslem-Croat Federation.

"We will attempt in the course of our future contacts to sort out the problem," she said, criticising the delays in solving the prisoner issue.

B-H: SPRS Presidential Candidate Views Elections, Federation

*AU2008120396 Sarajevo Radio Slobodni Izbori
in Serbo-Croatian 1530 GMT 19 Aug 96*

[Interview with Zivko Radisic, chairman of the Socialist Party of the Serb Republic, SPRS, by Lazar Petrovic on the "Portret stranke" program in Banja Luka; date not given—recorded]

[FBIS Translated Excerpt] [Petrovic] First of all, can you tell us something more about the climate for the September elections? Does it guarantee free and democratic elections?

[Radisic] I am happy to be able to participate in your program. We, the Socialist Party, wanted to have the elections in the RS a long time ago, so we accepted the Dayton agreement as very important for the fate of the Serb people and the RS, but also for the overall situation in Bosnia-Herzegovina and the wider region. We have high hopes concerning the elections. The SPRS has decided to run within the well-known Alliance for Peace and Progress together with four other parties. Unfortunately I must say that I am not a great optimist when it comes to the election activities so far, and the conditions that have been created for them. I think that we do not yet have all the conditions to be able to speak about democratic, free, and objective elections. Here I am referring to the attitude by the authorities and the ruling parties, and particularly the attitude of the media toward the political parties that they say are of an opposite view, not to say opposition parties.

[Petrovic] How would you comment on the presence of the foreign factor and its efforts to make that different and better?

[Radisic] Well, taking into account the overall political context around us, I think they are the only solution for

the elections to be prepared, monitored, and controlled. We expect the international community to do everything so that the elections are as democratic as possible.

[Petrovic] From what has been heard so far, it seems that—as far as certain key issues—there is an absolute agreement in the RS among all the parties regardless of their political option. This refers to the level of statehood of the RS, the interpretation of the Dayton agreement, and so on. What is the view of the SPRS toward that, and what is the attitude of your party toward the Federation of Bosnia-Herzegovina?

[Radisic] We agree with the assessment that almost all the parties have in their program the basic principles on the RS, how to solve the national question, how to solve issues of common interest for Bosnia-Herzegovina, and wider. In any case, we use as the starting point the fact that the Dayton agreement defines Bosnia-Herzegovina as a union of two completely equal entities. In that sense, it is certain that most of the Serb national interests will be satisfied within the RS, and that this is the framework that defines our future destiny, so to speak, taking into account, of course, that we have to respect the fact that there is another state entity, the Muslim-Croat federation. The good thing is that the Dayton agreement has put an end to the war, the mindlessness and bloodshed, that has inflicted great losses to all three nations. I think that, generally speaking, we are all losers, and it will be even better if we accept the Dayton agreement as a framework for further political solutions to all issues of common interest. Here, both *de jure* and *de facto*, the entities become states. They are states in many things, with some common issues that we will have to solve within the representative bodies of Bosnia-Herzegovina as a union of two entities. Therefore, by promoting certain national and other issues of interest to the Serb people and RS, we are automatically promoting the same rights of all the three nations in Bosnia-Herzegovina. I think a consistent implementation of Dayton will be necessary for the creation of such a new climate, which means that we have to open this dialogue in the Bosnia-Herzegovina representative bodies, with a great deal more political and human tolerance, with more respect for common interests. I think that new people are needed for the creation of such a new climate. Doubtless, the passage of time is necessary for us to overcome all these ethnic and other tensions, not to say hatred, that war inevitably produced.

[Petrovic] That is your attitude toward the Federation. What about your attitude toward the east and the west, toward Croatia and Serbia?

[Radisic] Yes, one again has to refer to the Dayton agreement. You know that the entities have the possi-

bility to form so-called special ties with their neighbors, meaning that the RS can, in accordance with the Dayton stipulations, establish certain relations with Serbia, that is, Yugoslavia, just as it must be in the interest of the Muslim-Croat federation to do the same with Croatia. We do not think there is any reason... [pauses]; on the contrary, I would say that it is in our national, cultural, historical, and spiritual interest to have as close ties as possible with Yugoslavia, that is, Serbia, and to work together on solutions to many issues in the spheres of social-economic relations, market, education, culture, science, sport, and so on. No one has the right to deny a nation continuing and overall cooperation with its mother country, with the largest part of its ethnic body. The same applies to the other two nations, of course. However, when it comes to the attitude of the RS to Croatia, there is no reason to deny that our interest lies in cooperation with Croatia in terms of opening to Europe, to the world. I think that a new climate and new people will be needed for that, too, but in any case we will know how to establish the right kind of relations in accordance with the interests of both sides.

[Passage omitted]

[Petrovic] Let us go back to Dayton. Many people say that nothing has been done for the return of the refugees and displaced people. What are the views of the SPRS on that? It is clear to everyone that the Glamoc people cannot return to Glamoc if the Croats do not return to the Banja Luka region, and so on. Some parties are against this kind of a solution.

[Radisic] I agree that there are differences in the views of parties on this issue both in the RS and elsewhere in Bosnia-Herzegovina. I think that the issue of the refugees is one of the most complex ones in the Dayton agreement. I would say that the elections and refugees are the two most complex issues. The fact is that over 2 million people have been moved from their homes in Bosnia-Herzegovina, that just in the RS we have over 415,000 refugees, that there are as many or even more refugees from the RS elsewhere, in Europe, and throughout the world. Dayton has defined the basic issue, that the refugees can decide where they want to live. I think it is hard to speak about this now simply because people have nowhere to return, and the right climate has not been created for them to return without feeling endangered. Serious programs have to be made for that, and changes have to be made to the overall political climate. Both time and new people are needed for this. The most important thing is that equal rights have to be guaranteed for all three nations, and that a reciprocity of sorts has to be established. I would go back to the original question. I think that the basis for a lasting solution to the problems of refugees

and displaced people is to start production and create material conditions. I think that this is the absolute priority for the state and all of us. We have to provide homes for these people first of all.

[Petrovic] Finally, one slightly personal question. If you win the elections, if you become the RS president, what will you do first? How will you celebrate?

[Radisic] We will not celebrate. This is not the time for celebrations. This is a very serious time. I do not think that there is a party or individual that will be able to change things on their own. I think that we have to work on the creation of a new political and social context in which all of us, literally all of us, will have to do our utmost to create a better life for everyone. I am absolutely against equating any party or leader with the nation and the state—regardless of the party. This is very dangerous. I think that we will have to review the current social situation. We will have to review some legislative solutions, and organize what we can. We know that we have lost about one third of our natural resources, and that everybody is having a hard time. As the first step, if nothing else, we will distribute the burden of the war equally.

B-H: Serb Parliament Says Serb Republic One Constituency

LD1708195396 Belgrade TANJUG in English
1935 GMT 17 Aug 96

[FBIS Transcribed Text] Pale, Aug 17 (TANJUG)—Bosnian Serb Republika Srpska's parliament passed a law on Saturday defining Republika Srpska as a single electoral district for the September elections for the National Assembly.

Parliament, sitting in the Republika Srpska administrative centre of Pale, passed a number of other laws said to be designed to stimulate the work of state bodies and institutions.

It also approved a report on the government's activity in the tracing and liberation of missing persons and prisoners.

Republika Srpska Foreign Minister Aleksa Buha said that, under the Dayton accords, the deadline for settling this problem had expired in January, and added that he had been insisting on its settlement in all his contacts with the world community's officials.

Buha informed the deputies that Croatian Foreign Minister Mate Granic had promised that all Serb soldiers registered by the International Red Cross and held in prisons in Croatia and the Bosnian Croat state of Herzeg-Bosnia would be released.

B-H: JULRS: SDS 'Deceiving the People' on Sovereignty

AU1608113196 Belgrade BORBA in Serbo-Croatian
13 Aug 96 p 12

[Report on an interview with Marko Djelic, secretary of the Yugoslav Left of the Serb Republic, by M. Maric; place and date not given: "The SDS Has Estranged Us From the World and From Serbia"]

[FBIS Translated Text] "The Yugoslav Left of the Serb Republic [JULRS] will not participate in the forthcoming elections as a separate party with its candidates, but within the coalition called the Alliance for Peace and Progress, which has a program identical to its own. In a time when the gray economy is flourishing and when there is no money to set business in motion, the stabilization of the economy is the most important task," Marko Djelic, the JULRS secretary general told BORBA.

"We support an economic policy with a social profile, which means that a balance between economic development and social rights has to be found," Djelic says. "The drop in the standard of living and the loss of social rights that the population suffered recently must be halted. This does not mean that the JULRS does not support privatization; it does, but it requires then equal treatment of all forms of property, which means that we oppose the form of privatization that was recently made legal in the Serb Republic. If the sale of property at extremely low prices continues, we shall be wage laborers employed by war profiteers rather than civilized people on the eve of the 21st century. In other words, we support the idea that the Serb Republic should become a republic of work, not one of capital earned under dubious circumstances."

Mankind as Perspective

Djelic warns of the uncritical statements issued by individuals from the present leadership who claim that "we do not need their help." "The support of the international community for the reconstruction and development of the Serb Republic is more than necessary. In the recent past, only Enver Hoxa's regime in Albania rejected this kind of support," Djelic added.

Regarding a solution to the national problem in the Serb Republic, Djelic considers that "the nation is neither the first nor the ultimate form for the association of people in the world." For Djelic, mankind provides the perspective, not the nation.

"The ruling SDS [Serbian Democratic Party] and the present leadership have estranged us from the whole world and from Serbia. Both verbally and declaratively

they swear to a unification with Serbia, although they are deeply aware that this cannot be achieved, since the SDS and the SPS [Socialist Party of Serbia] cannot cooperate. They are two completely different political systems—the SDS is the force on the political right in the Serb Republic and the SPS is on the political left in Serbia. This means that one of these two systems should be changed before the unification. Since Serbia has 10 million inhabitants and the Serb Republic 1 million, it is not difficult to conclude who should change. It would not be logical to require Serbia to lean toward 'the younger brother,'" Djelic continued.

"It is high time," Djelic points out, "for us to blame ourselves for the mistakes we have made, not the whole world and Serbia. If this kind of thinking prevailed in the other two nationalist parties, the SDA [Party of Democratic Action] and the HDZ [Croatian Democratic Union], which led us into the war, this would be one of the keys to the solution to the national problem," Djelic claims.

The Importance of Statesmanship

"According to the Dayton agreement, the Serb Republic is a national entity with a relatively high degree of independence. With more wisdom, this independence can only become bigger. We must not forget that statesmanship is presently at a very low level. The destiny of the Serb Republic depends on how events will unfold in the future. It is difficult to predict the outcome of the elections and the way in which things will develop, whether the union, that is Bosnia-Herzegovina, will prevail or its three ethnic parts, one of which is the Serb Republic. It is in the interest of the people that relations between the whole and its parts are synchronized. This obligation results from the integral Dayton agreement, which we shall support," Marko Djelic says, adding that the JULRS will support the strengthening of the prerogatives of the Serb Republic.

JULRS Secretary General Marko Djelic warns that the ruling SDS has continuously been claiming that the JULRS supports the reintegration of the former Bosnia-Herzegovina and brotherhood and unity, which is not at all a part of its program.

"The state of Bosnia-Herzegovina is defined by the Dayton agreement. This agreement was explicitly accepted and confirmed by the present Serb Republic leadership and its parliament. This must not be forgotten, it would—in other words—be honest if the present leadership and the SDS as the ruling party clearly and opened told the people that the state of Bosnia-Herzegovina is the sovereign entity. They are stubbornly silent on this point and are deceiving the people. They even pretend that the Serb Republic is a sovereign entity. And they

accuse us when we tell the truth, saying that we support a unitary Bosnia-Herzegovina. The people are fed up with fraud and swindles. I am certain that they will show this on 14 September, when the ballot slips are filled in. I believe in the victory of the Alliance for Peace and Progress, a coalition made up of five political parties headed by the Socialist Party of the Serb Republic," Marko Djelic concluded.

B-H: FRY Officials Reportedly 'Manipulate' Refugee Vote

AU1608120496 Sarajevo ONASA in English
16 Aug 96

[FBIS Transcribed Text] Belgrade, August 15 (ONASA)—Bosnian refugees in Serbia have often been prevented from voting in places where they wanted to, and have been pressured to vote in other places, an observer for the Serbian Helsinki Committee said.

"As an observer and according to what the refugees have told us in the Helsinki board, we have found that the refugees have not been in a position to express their will as to where they would like to vote," Ninko Miric said.

"When a refugee shows up at a registration point, he is asked where he comes from and where he was registered in 1991. For example, a refugee in Zemun can choose to vote in either Brcko or Bijeljina. In other towns, refugees have at their disposal a list of towns in Republika Srpska [Serb Republic] where they are allowed to vote."

He said that if a refugee would like to vote in absence in the southern Bosnian town of Mostar, he would be informed that he must go there.

According to Miric, in this way, officials "manipulate the people."

When asked which municipalities were on the list, Miric said that "refugees in the Zemun municipality were directed to Brcko, those in Backa Palanka to Modrica, etc." The refugees are mostly directed to the places where the Serbs were a minority according to the census conducted in 1991.

Miric stressed that the Serbian government has established a commission, headed by Serbian Minister for Refugees Bratislava Morina, which is charged with organizing the lists for refugees on which they choose places where they would like to vote.

Commenting on the journalist's point that the Serbian government is therefore directly responsible for this manipulation, Miric said that this is a way to validate ethnic cleansing.

Croatia: Serb, UNTAES Official Discuss Pension Project

*AU1908170296 Beli Manastir Radio-Televizija
Republike Srpske Krajine Television in Serbo-Croatian
1830 GMT 16 Aug 96*

[FBIS Translated Text] Today the president of the executive council of the Beli Manastir municipal assembly, Vaso Zigic, talked to Tom (?Carbough), head of the UNTAES [UN Transitional Administration for Eastern Slavonia] civilian affairs for Baranja. The topics of discussion at this regular meeting were several open issues concerning future steps in the UNTAES mandate in Baranja.

The head of the UNTAES civilian affairs for Baranja brought up the issue of opening offices for issuing Croatian ID's in Beli Manastir, emphasizing that this is a way to (?test) the readiness of the Croatian side to observe the basic civil rights. When asked how the citizens in this area who, in accordance with the current incomplete and [word indistinct] amnesty law, are not welcome, or are even considered war criminals and terrorists, can be expected to accept without hesitation the documents that place them under the authority of Croatian laws, Tom (?Cardbough) gave an answer that was not persuasive enough. The logical sequence of events, as the officials pointed out, would be a general amnesty law, which Croatia has been reluctant to pass.

Tom (?Cardbough) also announced that 147 pensioners included in the UNTAES pilot project would receive their pension money. "This may be proof of UNTAES success, but does not even begin to resolve the problem," said president of the executive council of the Beli Manastir municipal assembly. Namely, there are about 6,000 pensioners in the Baranja area, and this partial approach does not enable them to exercise their basic civil right. The Serb side finds selective payment of pensions unacceptable, said Zigic; the mission would be a success if all those who have the right to a pension received them. He therefore proposed that the identification of potential beneficiaries of Croatian pensions be carried out on the basis of the records of the pension and disability insurance in the province and the Osijek pension fund.

The officials also proposed today that a meeting be held between the Croatian and Serb side—with UNTAES mediation—concerning the impending opening of the Knezevo-Udvar border crossing, which Tom (?Cardbough) said was a good suggestion. He would, however, not comment on today's discussion; he said statements are not justified without specific results, which should supposedly be expected soon.

It is to be expected that the partial payment of pensions in Darda, scheduled for next week, to the 147 pensioners included in the pilot project, as well as the opening of the office—to which he said he would like to invite administrator Klein—will be justification enough for a statement and a new (?score) in the reports on the successful operation of the UNTAES mission.

Croatia: Serb Expellees Appeal to West on Mischevic Killing

*LD1908174396 Belgrade TANJUG in English
1718 GMT 19 Aug 96*

[FBIS Transcribed Text] Belgrade, Aug 19 (TANJUG)—Serbs expelled from Croatia appealed Monday on all humanitarian and democratic organizations in western countries to cease tolerating the incidents in which the victims are Serbs now remaining behind in Croatia.

The appeal was addressed by the Committee of the Expelled from Croatia after the recent killing in Croatia of the retired general of the army of former Yugoslavia, Milorad Mischevic, a Serb.

The Committee of the Expelled operates as part of the association of refugees in the Federal Republic of Yugoslavia (F.R.Y.).

Mischevic, killed by a mine planted at the doorstep of his house in the village of Vrebac outside Gospić on August 14, had been residing as retired officer in Zagreb the past 20 years.

The committee said that "this murder is an expression of the rightlessness, arbitrariness, chaos, cynicism and double standards of the current Croatian policy which tolerates such incidents, disseminating fears amongst members of the Serb nationality."

The committee added that such phenomena had been calculated at preventing the escaped Serbs from returning to Croatia in large numbers.

Around 300,000 Serbs had been driven out of the different parts of Croatia after it forcibly seceded from the former Yugoslavia in 1991. Around 250,000 more Serbs escaped during last year's aggression the Croatian Army performed against the Serb Krajina.

Croatia: Serb Official Warns About Economy, Possible 'Unrest'

AU1908164996 Beli Manastir Srpski Radio Network in Serbo-Croatian 1430 GMT 15 Aug 96

["Text" of "open letter" from Vukovar Municipal Assembly President Miroslav Keravica to UN Administrator Jacques Klein; date not given]

[FBIS Translated Text] Miroslav Keravica, president of the Vukovar Municipal Assembly, has sent an open letter to Mr. Klein, UN administrator for the Serb Province of Eastern Slavonia, Baranja, and Western Srem. This is the integral text of the letter:

Mr. Klein, the economic situation of Vukovar Municipality, which reflects on all the other spheres of life, irresistibly reminds us of the one we remember so well—that before the civil war began, in 1991. At that time, the HDZ [Croatian Democratic Union] political officials tendentiously destroyed the economy of Vukovar Municipality, primarily by blocking the Borovo multiplant firm. Within only a year, the Municipality of Vukovar, which had for years been one of the most developed in the former Yugoslavia, was 146th of the 147 municipalities in the former Croatia.

This led to dissatisfaction and social unrest, which the HDZ members cunningly encouraged. It was necessary to practically confirm the hypothesis that the Serb officials—and it was claimed that Serbs held all the key positions—were completely incompetent in everything. When everything was over, the new HDZ authorities were to appear as the savior.

It is common knowledge that, during the war, almost the entire economic potential was destroyed [words indistinct], but we have, with superhuman efforts, managed to reconstruct a little over a third of it. This was done despite the powerful practical—even though they were formally not imposed—sanctions on this area. Last year's seven-month economic suspension, which was introduced because Croatian aggression was expected, has caused regression and additional impoverishment.

The UNTAES [UN Transitional Administration in Eastern Slavonia] has made the latest important contribution to the loss of our economic independence by practically closing the oil wells in Djeletovci for us [sentence as heard]. The subsequent shortage of oil resulted in extremely negative consequences in the economy and the nonproductive activities, to which the provincial budget allocated about 60 percent of the money that came from this branch of industry. This led to further general impoverishment, and the existential issue [words indistinct] after a large number of people were demobilized when the demilitarization process was completed.

At the same time, UNTAES has been promising to provide the funds necessary for revitalization of economy and reconstruction of infrastructure and housing facilities—which will probably never get here under these circumstances—while at the same time it is preventing the inflow of foreign capital, which we would be able to arrange ourselves, on the basis of mutual interest or the interest of several parties. In this way, private initiative is being stifled, says Miroslav Keravica's open letter, and continues to state the following:

It is true, as we well know, that it is possible to artificially create a situation in which existential insecurity and doubt about there being any prospects are powerfully manifested, which, in turn, soon results in social unrest, that is, strikes.

We know that this can lead to complete disintegration, disorganization, and definite loss of trust in one's authorities, which neither had nor could have influenced this course of events. We are also aware of the fact that this is the way to create favorable ground for extorting certain political solutions—such as the blackmail-like conditions concerning pensions—and, moreover, it can be reason enough for a large number of people to leave this territory.

However, it is also true that the people here are aware of what is going on and that they are prepared to suffer more—to the maximum extent possible—but afterwards it is possible that various forms of countereffects will be manifested, and quite understandably.

Dear Mr. Klein, I felt the obligation to point out to you the seriousness of the situation this way; to draw your attention—with the most friendly intentions—to the fact that the hope and trust of this people are too precious to be lost this easily.

Croatia: Police Arrest Suspect on 'Charges of War Crimes'

AU1908134296 Paris AFP in English 1334 GMT 19 Aug 96

[FBIS Transcribed Text] Zagreb, AUG 19 (AFP)—Croatian police have arrested a 29-year-old man on charges of war crimes and armed rebellion, the official HINA news agency said Monday.

The man, named only as Goran V, is accused of committing the crimes while serving with secessionist Croatian Serb forces from 1991-92, the agency said.

The man was arrested Saturday at Hrastin, in the suburbs of Osijek, 250 kilometres (150 miles) east of the capital Zagreb.

He has been remanded in custody and is to appear before the local court.

In May, Croatia voted a general amnesty law for Serbs who took part in the 1991-95 Serb rebellion, sparked by Croatia's decision to quit the crumbling Yugoslav federation.

However, the law has been severely criticised by the United Nations, which has called on Zagreb to draw up a definitive list of individuals not exempted by the amnesty law.

The justice ministry has thus far refused to say how many people are wanted for war crimes.

Secessionist Serbs, backed by the Serb-dominated Yugoslav People's Army, grabbed between a third and a quarter of Croatia in 1991 as the federation fell apart.

However, the Croatian army grabbed back most of the territory last year in two lightning offensives which smashed the self-declared Serb state in Croatia.

Croatia: Bosnia Embassy Granted Access to Detained Officer

LD1908204496 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 1830 GMT 19 Aug 96

[FBIS Translated Excerpt] The BH PRESS Zagreb correspondent has reported that the Croatian Foreign Ministry has responded to a note by the Bosnia-Herzegovina embassy and allowed visits to the Bosnia-Herzegovina Army officer Mirsad Catic, who was arrested at the Slovene-Croatian border and is being held in military prison in Zadar.

[Correspondent Nada Al-Issa] The Bosnia-Herzegovina embassy requested in a note sent to the Foreign Ministry of the Republic of Croatia that it be allowed to establish contact with the detained Mirsad Catic. Today's answer says that visits by embassy or consulate officials are possible every day during normal working hours, but that permission must first be obtained from the county court in Zadar.

As is known, Mirsad Catic was arrested on 10 August when he tried to enter Croatia from Slovenia. [passage omitted]

Croatia: Former Editor in Chief: Freedom of Opinion Impeded

AU1708200696 Rijeka NOVI LIST in Serbo-Croatian 14 Aug 96 p 4

[Article by D. Bebic: "Jovic: This is Another Step in the Persecution of Freedom of Opinion in Croatia"]

[FBIS Translated Text] Zagreb—Josip Jovic is no longer editor in chief of the PANORAMA weekly. He was replaced by Andrej Rora, the previous editor in chief of the same magazine. At the same time, Goran Milic was appointed assistant editor in chief.

The PANORAMA editorial informed the readers of these changes, but reasons for Josip Jovic's dismissal were not given. The editorial only said that the changes were made according to the opinion of the publisher and the owner of the magazine, Bruno Iljic, who thought that such a solution would make a successful combination of the boldness, youth, and ambition of the new editor in chief with the experience of PANORAMA's journalists and public authorities who wrote for the magazine. The editorial also said that a "fair conversation" with Josip Jovic had shown that he agreed with the owner's decision.

However, the former editor in chief of PANORAMA and SLOBODNA DALMACIJA had a very different view of his dismissal.

"This is another step in the persecution of freedom of opinion in Croatia, and it has direct connections with the Croatian political leadership," Josip Jovic stated categorically. He explained that he was dismissed because the owner, Bruno Iljic, received that order from high up.

Josip Jovic could not evade this dismissal, as a succession of his articles irritated certain powerful politicians. His article titled "Clinton Did Not Receive Tudjman" was the last straw. The article was commented upon in the daily news broadcast of the Croatian Network on Monday [12 August].

"Why did the Croatian Network not air the footage of Tudjman and Clinton's meeting, which would have denied my article," Jovic wondered. He also criticized the editorial staff of the network for using such typical agitprop methods in their commentaries.

Having become former editor in chief twice in such a short period—first of SLOBODNA DALMACIJA and then of PANORAMA—Josip Jovic said he was considering leaving journalism. He estimated that the atmosphere in Croatia was spiritless, and that freedom to express opinion was impeded daily.

Poland: More on Objectives of Foreign Policy Council

WS1908144496 Warsaw RZECZPOSPOLITA
in Polish 19 Aug 96 pp 1-2

[Article by Katarzyna Kolodziejczyk: "The Foreign Policy Council Has Been Established; Defense of Continuity"; commentary by Professor Krzysztof Skubiszewski published in box]

[FBIS Translated Text] *On the morning of 17 August in Warsaw, the Foreign Policy Council was established. Its members are well-known politicians of the Solidarity governments, such as former prime ministers and ministers of foreign affairs. Among the members of the council is Kazimierz Dziewanowski, our colleague who has a column in RZECZPOSPOLITA and is a former ambassador of the Polish Republic in Washington.*

Krzysztof Skubiszewski, the main initiator and also the chairman of the board of the council, told journalists at a news conference about the dual task of this extragovernment and civic body: defending the interests of the Polish State and the foreign policy that serves these interests, as well as conducting serious internal dialogue in the country on foreign policy in order to maintain both the national agreement over its objectives and its continuity.

Replying to a question by RZECZPOSPOLITA, Skubiszewski said that continuity of the foreign policy, formulated long ago under the Mazowiecki government and pursued further by the following Solidarity governments, was discontinued, which is proved by the issue of the Concordat and our relations with the Holy See. "A majority in the Sejm," the chairman of the council said, "discontinued that policy, and this is an important issue because one cannot help but wonder whether policies in other important issues will be discontinued as well." According to Skubiszewski, the problem of the Concordat is a departure from one of the important objectives of the foreign policy—the conclusion of several basic bilateral treaties, which were vital because of the special interests of the state.

"Wherever the policies carried out by one Polish Government or another swerve from the line we deem necessary for implementing the interests of the Polish State, we will oppose them," Skubiszewski said.

"Nonetheless, the council will not review the foreign policy pursued by the present governing coalition; it is going to formulate its own proposals, which does not rule out the possibility that, if the president, the government, or, particularly, the foreign affairs minister wants to hear our opinion, we would be willing to offer it," Skubiszewski assures us.

"We have the right to deal with the future and the present of foreign policy because the people who have gathered here today include the creators of the foreign policy of an independent state. It is not a state that is seeking support in this or that superpower; it is a state that has its own foreign policy because it is creating a place for itself in Europe," said Skubiszewski at the news conference.

The council will focus its attention not only on issues related to our future membership in the EU and NATO, on relations with the Eastern neighbors of the Polish Republic, and on the possibilities of diversifying those relations, but also on the role and place of Poland in the world.

The council also will want to think about whether Poland is taking proper advantage of the fact that it is a member of the UN Security Council, as well as take a closer look at Poland's involvement in the regions of Europe that are threatened by conflicts.

The detailed program document, which the council discussed at its session on Saturday [17 August], will be made public this week.

The council has been operating since 17 August as an ordinary association on the basis of the statute it accepted. The board will take legal steps to see to it that the council obtains the status of a registered association.

Members of the Foreign Policy Council

Andrzej Ananicz (secretary of the board); Wladyslaw Bartoszewski, Jan Krzysztof Bielecki, Zbigniew Bujak, August Chelkowski, Wieslaw Chrzanowski (deputy chairman of the board); Kazimierz Dziewanowski, Bronislaw Geremek, Przemyslaw Grudzinski, Aleksander Hall, Krzysztof Kozlowski (member of the board); Jerzy Makarczyk, Tadeusz Mazowiecki, Andrzej Milczanowski, Piotr Nowina-Konopka, Andrzej Olechowski, Janusz Onyszkiewicz, Michal Radlicki (purse bearer); Janusz Reiter, Krzysztof Skubiszewski (chairman of the board), Hanna Suchocka, Janusz Ziolkowski.

[Box, p 2]

The Foreign Policy Council, founded on 17 August, is designed as an instrument to promote Polish interests abroad and serious dialogue in the country. The council is neither a competitor nor substitute opposition of the organs of the president or the government.

We are an institution independent of the president and of the government, as well as of the political forces to which some of its members are or will be linked. We are a civic and extragovernmental establishment.

The council sees possibilities of cooperation with the president on issues in which such cooperation will be favorable to the country.

The council is being established at a difficult time for Poland. What we need today is maintenance of the national agreement on the main directions of the foreign policy created in the years 1989-93. The end of 1996 and the year 1997 may turn out to be the time of a breakthrough. It will be the time for decisions on issues that will determine Poland's place in Europe for years to come.

—by Professor Krzysztof Skubiszewski

Poland: Foreign Policy Council Head Views Policy Toward Russia

WS2008112396 Warsaw GAZETA WYBORCZA
in Polish 20 Aug 96 p 3

[Article by "KRZEM": "Skubiszewski on Foreign Policy; Quo Vadis, Coalition?"]

[FBIS Translated Text] *Strangely preferential treatment of Russia and the policy toward Serbia—these elements of the foreign policy pursued by the coalition of the Democratic Left Alliance [SLD] and the Polish Peasant Party worry Krzysztof Skubiszewski and the newly established Foreign Policy Council.*

Establishment of the council met with a vehement attack on the part of TRYBUNA. It termed the council a "tool of political confrontation." The reason for such a statement was the opinion voiced by former Foreign Affairs Minister Krzysztof Skubiszewski on certain vague points of the foreign policy carried out by the governing coalition and on the fact that the Sejm majority broke the continuity of the policy on the Concordat.

"The council has not announced its program document yet, but it already knows that this is a confrontation," Professor Skubiszewski told us yesterday. "It is TRYBUNA that is using the language of confrontation, by reaching for the worst traditions of the Polish United Workers Party."

The creator of the foreign policy of the third Polish Republic maintained his opinion on those vague points in the policies pursued by the coalition.

What About Russia?

A big mistake of the coalition is the fact that it does not have a precise program for relations with Russia. Instead, both coalition partners are following the principle that Poland should develop economic relations with Russia. They seem to believe that the rest is unimportant. "The rest certainly is important

because of the unpredictability of Russia's policies," Prof. Skubiszewski stresses. "Russia must respect our newly regained independence. We have a long history of Russia ruining our independence."

"Aside from that," the former minister emphasizes, "economic relations with Russia are highly uncertain, and they cannot be based on expected yet unspecified profits."

Strangely Preferential Treatment

Another thing that arouses fears in the former foreign affairs minister is the "strangely preferential treatment of Russia, treatment that is deprived of any mutuality." "Such a policy may increase the distance between the West and us, while failing to yield any positive results in the East. A good example is the idea, which SLD politicians came up with, of extending the Weimar Triangle (Poland-Germany-France) to Russia. This destroys the triangle. Another idea, which also originated in the SLD, is to set up a Berlin-Warsaw-Moscow triangle. In such a configuration, Poland finds itself immediately relegated to the background of the Berlin-Moscow axis. A great achievement of the postwar period is the fact that Germany became part of the European structures. Returning to the idea of a Berlin-Moscow axis is detrimental to Poland."

The Brest Triangle

The foreign affairs ministers of Poland, Ukraine, and Belarus recently held a meeting in Brest; the meeting was a Polish initiative. It is not clear whether this does not mean a return to the eastern security zone, an idea presented by Ukraine in the years 1992 and 1993, the former minister says. This may satisfy Russia; it creates a buffer zone between itself and NATO states but draws Poland away from the West and NATO. The idea of establishing an eastern region between two seas is a concept of the past. The East ought to seek links to the West.

What About Serbia?

Last month Marek Siwiec of the Presidential Chancellery and Andrzej Wiczorkiewicz of the Office of the Council of Ministers visited Belgrade. "The public does not know anything about it," Prof. Skubiszewski says. "What is our policy toward Serbia, and how does this affect the commitments that Poland has as a member of the UN to Bosnia?"

Skubiszewski says that all of these questions to the coalition will be included in the program document the Foreign Policy Council will publish in a few days.

Poland: PSL Issues Statement on Integration With EU

WS1908123696 Warsaw GAZETA WYBORCZA
in Polish 17-18 Aug 96 p 3

[Report by "DOM": "The PSL on Poland's Integration: The EU? Yes, but..."]

[FBIS Translated Text] "Principles of full political, economic, and cultural independence of the Polish state and society must be maintained in the process of integration with the EU structures (...)," the Chief Executive Committee of the Polish Peasant Party (PSL) believes.

The party's leadership issued a document on 14 August demanding that the process of integration be accompanied by protection of the interests of domestic companies. Here is what it writes: "The ability of the Polish economy to develop independently and to leave the benefits of its operations in the country must be maintained."

What the PSL attaches the greatest importance to is the food economy and agriculture: "The process of European integration must not disturb the striving to maintain full self-sufficiency where food is concerned," the statement reads. The PSL is working on the main principles of the "National Strategy of the Integration."

PSL Deputies Club spokesman Janusz Dobrosz told us yesterday that the Peasants would be educating society so that it would be fully aware of both the advantages and disadvantages of integration. Dobrosz praised Foreign Affairs Minister Dariusz Rosati for his sharp reaction to the allegations that Poland is resorting to policies of interventionism. According to the PSL spokesman, "a positive change toward integration has taken place in Polish foreign policy."

Poland: Consortium Demanding More Say in Fighter-Bomber Deal

WS1908123896 Warsaw SZTANDAR in Polish
19 Aug 96 p 1

[Article by Wojciech Luczak: "Controlled Transactions. The Polish Aviation Industry Demands Participation in the 'Deal of the Century'"]

[FBIS Translated Text] Ten major enterprises of the Polish aviation industry have set up a consortium intended to influence the government's decisions on Polish aviation. The consortium calls for the Defense Ministry and the Ministry of Industry and Trade to finalize the already prepared contract to buy eight Spanish CASA CN-235 cargo planes for the Polish Army.

In return for each cargo plane, worth more than \$10 million, the Spanish side is to order from the [Polish aviation] industry one Sokol aircraft, as well as sign additional assembly contracts and accords on transferring the most modern technologies. The consortium also demands that the government protect the interests of the Polish aviation industry while making decisions on buying airplanes for VIP's and negotiating orders for Polish LOT airlines with Boeing.

Also, the consortium wants to serve as the sole mouthpiece for the entire Polish aviation industry during negotiations on the "Polish deal of the century"—the contract for delivering more than 10 21st-century fighter-bombers worth several billion dollars. No matter whether we opt for one of the U.S. aircraft—the Lockheed F-16 or the F/A-18 Hornet made by McDonnell Douglas—or the Swedish-made SAAB J39 Gripen, the consortium will demand significant participation of the Polish aviation industry in the program of manufacturing the machine and delivering it to our aviation.

Poland: Prosecutor in Oleksy Case Now Investigating Kuklinski

WS2008102096 Warsaw GAZETA WYBORCZA
in Polish 19 Aug 96 p 3

[Article by "KNYSZ": "The Kuklinski Case; Gorzkiewicz Investigates"]

[FBIS Translated Text] Colonel Slawomir Gorzkiewicz, who dismissed the Oleksy case last April, is in charge of the investigation in the case of Colonel Kuklinski, the most famous Polish agent of the CIA. Journalists received this information from Jerzy Szaniawski, who represents Col. Kuklinski. He claims that Gorzkiewicz upheld the warrants of caption and the arrest warrant of Kuklinski issued in 1981 after his escape to the United States. During the Martial Law, Kuklinski was sentenced to death, but in 1990 the penalty was changed to 25 years in prison. In May of last year, the Military Chamber of the Supreme Court reversed the decision; then the case was taken over by the Chief Military Prosecutor's Office.

Szaniawski said that Gorzkiewicz took charge of the Kuklinski case in August of last year and wondered why the same prosecutor needed only three months to dismiss the Oleksy case, whereas he has been dealing with the Kuklinski case for as long as a year now.

Poland: Weekly Views Civil Service Reform
WS1908135496 Warsaw *POLITYKA* in Polish
10 Aug 96 pp 24-25

[Article by Janina Paradowska: "A Strong Trunk on the Left Leg; Servants of the Civil Service"]

[FBIS Translated Text] He is, to be exact, impartial, effective, politically neutral, healthy, and of impeccable character. He should not be religiously motivated, should know at least one foreign language, and have seven years' work experience.

Such is the model for the ideal high-class Polish public servant to represent the civil service corps. The founding of the corps will launch one of the major reforms of the political system by creating a stable pillar of support for the state—highly qualified public servants shielded from the political turmoil that sweeps so many out of office with every change of government. Not all are pleased with this model, however. The Freedom Union sees the stipulation concerning religious beliefs as exaggerated, the stipulation regarding work experience equally so, but notes that the required proficiency in two foreign languages, including one Western language, would not be an excessive demand nowadays. The Union is therefore introducing proposed amendments to a bill recently signed by the president. Yet no one has raised the issue of political party membership. The bill prohibits political and union activity only to those in the highest category of the corps. Those in other categories are allowed to maintain political affiliations but must demonstrate nonpartisanship, something that still remains a very difficult art to practice in Poland. The bill on the state civil service is the product of many compromises.

The Peasant Party, for instance, protested excessive foreign language proficiency requirements and received moderate support from the Social Democrats on this issue. Doubts concerning the ban on political party membership in all civil servant categories were voiced by the entire coalition, and it was finally agreed that it would hold for top category A staff only. And the opposition protested possible discrimination against people professing religious beliefs. The hidden meaning of these disputes is clear. Civil servants are to be highly qualified and nonpartisan, yet it is always better, just in case, to leave a few loopholes for fellow party members.

The bill on a professional, apolitical civil service corps was the subject of heated political debate, and the fact that it was passed in the Sejm with only one nay vote should be regarded as a success for all political parties involved—both in the coalition and the opposition. All the more a success because the first draft was proposed

as early as 1991, and the current version was more than a year in the works. After several months, it seemed that reaching an agreement on the very name of the bill would be difficult in itself. The speed-up in work on reforming the central economic management and administration system of the state can surely be credited for the impressive progress in finalizing legislative work on the bill. It was decided then which positions in the service would be tinged with politics and which would stay clear of the political division of spoils. Since already far too much had fallen within the scope of political influence—posts ranging from that of minister down to deputy provincial governor, and, in addition, posts of heads of central administrative offices—the state civil service bill is meant as a salvaging measure against continued chaos.

The stable pillar of the state—that is, the civil service corps—will be divided into four categories: A, B, C, and D, depending on the required qualifications assigned to each position. A rather elaborate system of personnel recruitment, supervision, and periodic appraisals will ensure the professionalism and job stability of corps members. Clerical staff employed in the civil corps will be appointed "in the name of the Republic of Poland." Any person that fills the criteriae described in the bill may apply for membership in the corps, regardless of whether he or she had prior experience as an administrative employee. The openness of the civil service is one of its most significant strong points, providing the opportunity for new people to take jobs in government administration, lured by the possibility of enjoying job stability and higher salaries. This is because corps members are to receive higher remuneration than noncorps staff. It is still unknown how much higher they will be. All comments on this issue are very guarded.

The matter will be decided by budgetary constraints in the final resort. Nevertheless, pay issues are admittedly one of the core factors. It seems that preliminary estimates that salaries in the civil service will be approximately 50-percent higher than current levels for state administration staff are the bottom line. Competitors, offering attractive compensation, are able to "pick out" a large number of clerical staff that could foreseeably prove excellent civil service corps members. It must be clearly said that the creation of a civil service is a very costly measure and that the means allocated for this end (and budgeted each year) ought not to be first slashed to compensate for other budgetary expenditures. The first test of the true intentions of the Sejm, which in such unity voted to establish the civil service, will be the debate over the budget bill for 1997 and how the means are allocated for this project.

It will take several years before the present administration is transformed into a civil service corps. In its first year, 1997, the size of its staff will be approximately 500 persons. According to projections, that number will grow in following years by 2,000 to 3,000 people each year. Inasmuch as there are approximately 70,000 people employed in government offices at present, it will take more than a dozen years before we are able to restaff them with civil service employees. The bill's ambitious design is for all administrative appointments to be completed by the end of the year 2007. A rapid acceleration in staff replacement can therefore be expected in about the year 2000. Right from the very start, this replacement process will become a hotbed for confusion and conflict. Employees at widely different salary levels will be sitting next to each other, side by side. The argument that someone has better skills may not necessarily be accepted by all. Confusion and strife are thus inescapably written into the transformation process of government administration, just as they are for the entire process of transforming the political system. It is something we have to learn to live with.

The bill provides for constituting a civil service council, an advisory and opinion-forming body appointed by and reporting to the prime minister, focusing on matters related to establishing the corps and its functioning. Three commissions will also be set up: a qualifications, an appeals, and a disciplinary commission. Their task will be to conduct qualification proceedings for individual civil service categories and to review appeals. The corps will be run by the head of the civil service as a separate body of the central state administration. He will be appointed by the prime minister this fall. The position of director general will be created as of 1 January 1997 in each government administration office. That person will be effectively responsible for the efficient day to day work of the office regardless of the political turmoil and changes in the position of head of the service appointed according to political party preference.

That, in broad terms, will be the structure of the civil service. Legislators achieved what seems to have been viable. Contrary to many critical opinions voiced, this bill provides the opportunity for the creation in the long term of a truly professional corps of qualified high-ranking state civil servants. The issues that are at present the subject of controversy, included in an amendment just proposed by the Freedom Union, are important, though perhaps not of prime concern. The proposed changes—shortening the period of required work experience from seven years to five (for top category A staff), allowing for automatic admission of State Public Administration College graduates as category B staff (not a privilege but simply a recognition of the fact that

this state school was created for the purpose of preparing qualified staff for public administration), the deletion of the controversial and, as a matter of fact, peculiar requirement that religious beliefs are not to affect professional work—will improve the legislative act but will not alter its basic structure. President Kwasniewski was therefore very well justified this time in signing the bill and calling for the need for amendments to be promptly made. The question is, however, whether Aleksander Kwasniewski can convince his colleagues to vote in favor of the draft amendments proposed by the Freedom Union. Minister Leszek Miller, for example, believes that the bill is acceptable in its current shape. It is not acceptable, of course, and Miller's position on this issue will have a decisive impact on the SLD (the ruling Democratic Left Alliance party) voting in the Sejm.

Despite the current reservations, the state civil service bill has in essence raised little controversy. The problems, disputes, and political warfare will not actually begin until fall, when the civil service council and the head of the service will come up for appointment. The decisions lie in the prime minister's hands. Whom will he consider for the job? What will their political connections be?

This should not come as a surprise a year before the elections, the outcome of which cannot reasonably be projected. Yet, if the swift move to grab what one can is also targeted at key institutions of the fledgling civil service, the entire concept will at the very outset fall into ruins. We may then have a perfectly good legal act and civil service tainted politically, exposing it to political attack, impugning that it is a ruling-party operation rooted in the communist past. The key to success is in the hands of Prime Minister Włodzimierz Cimoszewicz. It should be a key that opens a wide variety of drawers.

One has to realize what is at stake. The civil service council is to be appointed for a six-year term (half of that body to be replaced after three years). It will be in office for a considerable time and should therefore be prepared to work with a variety of possible prime ministers in the future. If it becomes a political institution, it will be weathered by the same processes as the National Council for Radio and Television, whose authority has been tarnished as a result of political wrangling.

It is no slight matter who will be appointed head of the civil service. Although the person in that position does not have the safeguards of having a term of office to complete and, like any government-appointed official, may be recalled by the prime minister, if the practice of recalling the head of the civil service with every change of government is adopted right from the

very start, the service itself will become the object of political wrangling. It has been said recently that Janusz Gaciarz, the civil service department director in the Office of the Council of Ministers and a party activist of the Democratic Left Alliance, may be the first person appointed to that position. If so, his nomination will mean that a strictly political appointment has been made with all of the possible consequences of that decision—that is, his immediate replacement after the election victory of another coalition.

The state civil service act concerns government administration only. It does not cover a very broad range of other groups of state officials (employed in courts, prosecutors' offices, central nongovernment institutions such as the chancelleries of the Sejm, Senate, and presidential office, the Supreme Chamber of Control, regional clearing houses) or the entire structure of local self-government administration, in which the degree of political motivation is perhaps greater than in many central institutions. Legislators did not hide the fact that primarily financial reasons—that is, the constant lack of funds in the state budget—lay at the basis for the limitations of the legal act. The question inevitably arises, however, whether it makes sense to call into being a new central institution run by the head of the civil service, with a number of appointed bodies (the civil service council, three commissions), if they are to support government administration only. It may very well happen that, although new central offices are set up with many fine staff appointments, the effectiveness of state administration will not improve significantly. The pillar of support will not be a pillar supporting the construction but an awkward prop of a complex machine out of gear—a barely visible prop at that.

[Box, p 25]

Ranking of Best State Civil Servants

Maciej Graniecki, head of the Chancellery of the Sejm; Jerzy Kozminski, ambassador to the United States; Grzegorz Rydlewski, secretary of state in the Office of the Council of Ministers, secretary of the Council of Ministers; Wojciech Goralczyk, former deputy minister of privatization; Marek Pol, government plenipotentiary for state reform; Andrzej Baczkowski, minister of labor and social policies; Aleksander Proksa, director of the Legal Bureau of the Office of the Council of Ministers; Wojciech Sawicki, former head of the Chancellery of the Senate; Piotr Stachanczyk, director of the consular department of the Ministry of Foreign Affairs; Krzysztof Kalicki, secretary of state in the Ministry of Finance.

These are the results of a minisurvey conducted by POLITYKA magazine and collected from more than a

dozen politicians and high-ranking state officials. They were asked to indicate candidates of their choice for the office of head of the civil service and model officials meeting requirements defined in the bill for category A civil servants.

[Box, p 25]

Salaries in Government Administration

Director of ministerial department, bureau, office, task group—Z37-38 million [old] zlotys; deputy director, chief expert for legislative matters—Z31-32 million; section manager, chief expert—Z17-18 million.

Compensation in government administration is made up of base salary, supervisory bonus, business allowance, and work experience premium. According to the latest pay structure table, the base salary of department director cannot exceed Z17 million, or Z15.5 million for a deputy director. Compensation levels are best adjusted by the value of the business allowance, which in essence should not exceed 40 percent of the value of the sum total of the base salary and supervisory bonus. There is, however, the possibility of raising it "in especially justified circumstances." These especially justified circumstances have, for instance, led to large differences in compensation between various ministries. It is no secret that compensation in the Ministry of Finance is above stated levels, which are average figures for ministerial staff.

Poland: Information on Cooperation Talks With South Korea

96EP0087A Warsaw PRZEGLAD RZADOWY
in Polish 1 Jun 96 No 6, pp 61-63

[Official document relating information on Polish-South Korean talks on economic and political cooperation, an increase in trade, and investments, conducted during South Korean Prime Minister Su-song Yi's visit to Poland in May]

[FBIS Translated Text] Last May, [South] Korean Prime Minister Su-song Yi paid his first official visit to our country. Prime Minister Lee discussed with Polish politicians the possibilities for expanding reciprocal trade, investments, and joint ventures in third markets. The head of the [South] Korean Government declared his support of Polish efforts to gain participation in the European Union-Southeast Asia summits. Both sides viewed the results of the talks as good.

The first item on the strenuous agenda of the visit was a meeting between Prime Minister Wlodzimierz Cimoszewicz and his closest associates and Prime Minister of Korea's Su-song Yi. This was followed by

Polish-Korean plenary talks. The principal topic of the talks was Polish-Korean bilateral relations.

Prime Minister Wlodzimierz Cimoszewicz emphasized the special importance of the visit of Prime Minister Su-song Yi. The Polish Government is interested in energizing relations between Poland and Korea.

In the opinion of the Polish prime minister, despite the evident growth in bilateral trade over the last few years, possibilities exist for still further expansion of the scope of that trade. At present the exports of Korean products to Poland markedly predominate over Polish exports to Korea. Efforts should be made to diversify the structure of this trade through, among other things, the promotion of quality Polish products in Korea.

Prime Minister Wlodzimierz Cimoszewicz was gratified to note the recent increase in Korean investments in Poland. Even so, he feels they still are too small. Korea ranks 13th on the list of foreign investors in Poland.

Considerable potential for cooperation is present in such fields as the power industry, shipbuilding, agricultural and food processing, and industrial construction.

Prime Minister Su-song Yi acknowledged the considerable potential for expanding mutual economic cooperation. He voiced his belief that the interest of Korean investors in Poland will increase. This will be promoted by the participation of representatives of Korean Government and business in the Poland-Southeast Asia Forum, which will be held in September in Warsaw under the patronage of the Polish prime minister.

Both sides acknowledged the great opportunities afforded to Korean investors by the privatization underway in Poland. Joint ventures in third countries also were discussed.

In the opinion of the head of the Korean Government the development of Polish-Korean economic cooperation will be part and parcel of the broad upswing of trade between Asia and Europe. Prime Minister Su-song Yi promised to support Polish efforts to gain participation in the European Union-Southeast Asia summits.

Also discussed was the need for international cooperation in fighting organized crime. The need to establish contacts between the ministers of justice and internal affairs of both countries with the object of discussing ways of cooperating in that domain was acknowledged.

Prime Minister Su-song Yi also familiarized the head of the Polish Government with the situation on the Korean Peninsula and the efforts to organize the "Conference of the Four" (both Koreas, China, and the United States). The head of the Korean Government also expressed his acknowledgment of the role played by Poland in

the United Nations Supervising Commission of Neutral Countries in Korea.

"It is my firm belief that the extremely important first visit of the Korean prime minister to Poland will markedly invigorate Polish-Korean cooperation on all planes," declared Prime Minister Wlodzimierz Cimoszewicz at a press conference following the meeting.

Diplomacy at Government and Local Levels—Poland in the Commission of Neutral Countries

The Republic of Poland and the Republic of Korea established diplomatic relations in November 1989. At the time, intergovernmental agreements on the support and mutual protection of investments and on trade were signed, along with an agreement providing for loan guarantees and credit for Poland. This was followed by a series of high-level and top-level contacts. On 17 May 1991 President Lech Walesa received Park Jyun-Kyu, chairman of the National Assembly of the Republic of Korea, who transmitted on behalf of Ro Tae Woo an invitation to visit Korea. In June 1991 an official visit to Seoul was paid by Prime Minister Krzysztof Jan Bielecki, and in October by Minister of Foreign Affairs Krzysztof Skubiszewski. In June 1993 an official visit to Poland was paid by Korea's chief of diplomacy, Han Sung Joo. During that visit an agreement for cultural cooperation was signed.

The intensification of dialogue also is being promoted by the regular consultations between the directors of political departments of the ministries of foreign affairs of both countries, held for the last three years. Consultations on fishing practices in the Bering Sea and the Sea of Okhotsk also were held.

On 9-10 December 1994 President Lech Walesa visited the Republic of Korea. That was the first visit at such a high level following the establishment of diplomatic relations. Both sides expressed their desire for the further expansion of political, economic, and other relations, as well as for engaging in joint ventures in third countries. The president of the Republic of Korea was invited to visit Poland.

Poland is interested in the vigorous growth and economic accomplishments of the Republic of Korea, while Korean politicians are interested in Poland's place in Central Europe, the prospects for our participation in the economic structures of West Europe, and Poland's participation in the Supervising Commission of Neutral Countries in Korea.

In 1995 Polish and Korean ministers of foreign affairs met on the occasion of the anniversary session of the

United Nations in New York. In addition, a visit to Seoul was paid by First Deputy Minister of Finance Krzysztof Kalicki and a delegation negotiating with the Daewoo Motors concern, which included deputy ministers of industry, trade, and finance. In turn, the Korean minister of science and technology paid a visit to Poland, during which he attended the first session of the Committee for Scientific and Technical Cooperation. During a visit by the Korean deputy minister of defense a letter of intent on cooperation between defense ministries of both countries was signed.

Parliamentary contacts are developing, too. In May 1995 a delegation of the Polish-Korean Parliamentary Group visited Seoul. In August, then Vice Speaker of Sejm Włodzimierz Cimoszewicz attended the World Peace and Human Solidarity Conference. In addition, there is the new factor represented by contacts between local governments of both countries.

Also important to both sides is the participation of the Polish Mission in the Supervising Commission of Neutral Countries in Korea. High-level representatives of the Korean Government have praised Poland's contribution so far to the operations of that commission, and they attach great importance to its continued activity—until the present truce is replaced with another solution promoting the preservation of peace and stability on the Peninsula. In 1995 the Polish delegation twice took part in meetings of the Supervising Commission of Neutral Countries in Korea. And last March, a member of the Military Truce Commission, Gen. Lee Suk Bok, paid a visit to Poland.

An important element of these contacts is cooperation in the forum of international organizations, and especially within the United Nations. Poland and Korea supported each other in their application for temporary membership in the United Nations Security Council for 1996-97, which incidentally were crowned with success for both countries.

Economy and Trade

To be sure, Poland is not a major trading partner of [South] Korea, but it is worth noting that, as its biggest partner among the Central European countries, Poland has found a niche of its own on the map of Korean business. Last year Polish-Korean trade exceeded half a billion dollars (\$541.9 million) for the first time. Imports from Korea amounted to \$411.3 million (an increase of 49.1 percent compared with the preceding year), while Polish exports reached \$130.6 million (a 29.8-percent increase). As a result, the deficit in our trade with Korea rose to \$280.7 million (in 1994, \$175.3 million). Trade could increase, with regard to Polish exports, were it possible to finance marketing and promotion activities.

Direct Korean investments in Poland are rising. A spectacular example is the activity of the Daewoo group. Its strategy of expansion on the European automotive market is, for the time being, resulting in a marked increase in imports of Korean automobiles. In time, however, the share of parts, components, and assembling and manufacturing machinery will increase, and a growing proportion of subassemblies and parts will be manufactured in situ.

In the opinion of experts we are dealing with a growing consolidation of the structure of reciprocal trade. In our imports from Korea the share of electronic equipment and installations, as well as clothing and footwear, is falling. On the other hand, our imports of chemical-fiber textiles are rising—their share in aggregate imports has exceeded 30 percent. Moreover, automotive imports have increased markedly and now represent the second largest item in Korean shipments to the Polish market.

In Polish exports to Korea the predominant share is that of chemicals (recently the exports of that commodity group have nearly tripled) and metals (structural steel, copper cathodes, silver ore). Thus, this trade structure is not too favorable to us, as it means chiefly relatively unprocessed products. Moreover, last year exports of Polish equipment were minimal. Polish exports to Korea account for barely 0.1 percent of aggregate Korean imports.

Along with the establishment of diplomatic relations the Korean Government pledged itself to provide us with loan guarantees totaling \$450 million, \$50 million of which goes to preferential credit. The latter was utilized to have the Samsung concern modernize the telephone system in Opole Voivodship.

So far the only Korean investment project completed in Poland has been the television set factory of Daewoo Electronics in Pruszkow, built in 1993. In addition, representatives of such companies as Hyundai, Samsung, Lucky-Goldstar, and others, are active in Poland.

The Polish side is interested in broadening the scope of cooperation and in a greater participation of Korean partners in joint ventures. The largest investment of this kind so far has been the agreement between the FSO [Passenger Car Plant] and Daewoo. In addition, Daewoo has invested in the Delivery Van Plant in Lublin. Hyundai is planning to build a container plant in Szczecin. Other Korean companies are also displaying growing interest in Poland as regards investment opportunities. Thus, for example, a letter of intent was signed late last year concerning the transfer of control over Petrobank, a Polish bank, to the Lucky-Goldstar group. The Koreans admit this is just the beginning of

more extensive involvement by Lucky-Goldstar in our country.

One shortcoming of reciprocal trade is that most of our exports are mediated by a third party, while a major role in imports is played by small importers and agents, who often operate on behalf of large companies as their sources.

Polish Music in Korea—Korean Technical Thought in Poland

The basis for cultural cooperation is the aforementioned cultural agreement. In the Republic of Korea there is considerable interest in Polish culture, including folklore, plastic arts, and music. Since 1993 the Korean-Polish Association for Cultural Exchange has been in existence. A Polish program for instruction in music is being implemented in Seoul.

As the economic potential and financial possibilities of the Republic of Korea increase, its attractiveness in terms of scientific cooperation also increases. In 1993 the chairman of the KBN [Committee for Scientific Research], Professor Witold Karczewski, signed the Agreement for Scientific and Technical Cooperation.

An important element of that cooperation was Poland's participation in the Expo '93 in Taejon. The KBN regularly cooperates with the Korean Institute of Science and Technology (KIST).

At Hanguk University in Seoul the Department of Polonistics was established. At the University of Warsaw, Korean studies are part of the Department of Japanistics and Koreanistics, Orientalist Institute.

Thanks to the well-developing cooperation, research contacts have been established between the Polish Academy of Sciences and the Korean Institute of Science and Technology; between the University of Warsaw, the Institute of Power Industry, and the Wroclaw Polytechnic, on the one hand, and the Korean Institute of Mechanics on the other; and between the Krakow Institute of Nuclear Physics and the Korean Institute of Nuclear Energy. In 1995 the first session of the Polish-Korean Committee for Scientific and Technical Cooperation was held. In addition, the establishment of a joint research and development center on biochemistry and molecular biology in Poland is being envisaged. Korea has granted three scholarships for postgraduate studies to Polish students.

Romania: Chebeleu Views Benefits of Treaty With Hungary

AU1908201796 Bucharest Radio Romania Network in Romanian 1900 GMT 19 Aug 96

[FBIS Translated Text] A delegation led by Dumitru Ceausu, director of the Legal Directorate of the Romanian Ministry of Foreign Affairs, will leave for Budapest tomorrow, to participate in a two-day meeting of experts from the Romanian and Hungarian foreign ministries on fixing the technical details of coordinating the Romanian and Hungarian texts of the basic political treaty and of the political declaration on the historic Romanian-Hungarian reconciliation.

Negotiations will also take place on finalizing the text of the agreement on reconciliation and partnership—our correspondent Doina Saiciuc reports.

The basic treaty between Romania and Hungary does not limit itself to the problems of national minorities, but lays the foundation for long-term policy of good neighborliness between the two countries; it also contains a stipulation, according to which Romania and Hungary do not and will not have territorial claims on one another—Ambassador Traian Chebeleu, presidential spokesman, said today in an interview with the national television station. Expressing the hope that the treaty will be finalized this week, Mr. Traian Chebeleu said that there are no reasons to postpone its signing, which may have a great impact on the relations with the European and euro-atlantic bodies that we want to join.

Romania: UDMR Expresses 'Concern' About Hungarian Treaty

AU1908202496 Bucharest Radio Romania Network in Romanian 1900 GMT 19 Aug 96

[FBIS Translated Text] Today, the Operational Council of the Democratic Union of Hungarians in Romania [UDMR] made known its position on the Romanian-Hungarian basic treaty, following an analysis on 16 August of the text of the treaty agreed at the Bucharest negotiations between the experts of the two sides. In the opinion of the UDMR Operational Council, the text agreed upon by the experts contains a number of positive provisions, which, if appropriately implemented, can make a step forward in solving the problem of the minorities. At the same time, the Council welcomes the inclusion of Recommendation 1201 of the Council of Europe in the treaty, since the recommendation offers an appropriate framework for achieving the solutions required by the UDMR, including various forms of autonomy.

Among the positive solutions included in the draft, the UDMR Council points out the education in the mother

tongue at all levels and in all forms and the provisions on bilingual signs. However, the Council does not consider the provisions on the use of the mother tongue as quite satisfactory. Likewise, the Council expresses concern over the fact that no understanding has been reached so far on the matter of returning Church and communitarian assets.

In the opinion of the UDMR Council, the guarantees on the implementation of the basic treaty are not sufficiently clear. Although the draft treaty stipulates the creation of a joint commission for minorities, the issue of international monitoring has been left totally unsolved.

The text of the UDMR Council's release, sent to ROMPRES, calls on the Romanian and Hungarian Governments to resume their consultations with the UDMR to solve these problems, and it also expresses the conviction that the interests of the Hungarians in Romania coincide with the desire for reconciliation of the two peoples.

Regarding the draft basic treaty agreed upon by the experts at their Bucharest talks on 13 August, which is in its finalizing stage, the UDMR Council sent a memorandum to the Governments of Romania and the Hungarian Republic to engage in further consultations on a final agreement and the Romanian-Hungarian reconciliation. Referring to the last point of the joint communique adopted in Budapest on 5 July, the UDMR Council suggests a new meeting of the signatory sides in September.

Romania: PUNR's Funar Urges Press To Question Treaty

AU2008134996 Bucharest Radio Romania Network in Romanian 1000 GMT 20 Aug 96

[FBIS Translated Text] Gheorghe Funar, president of the Romanian National Unity Party [PUNR], released an appeal to the Romanian press today, calling on it to find answers to the many questions that Romanians, in general, and specifically the over 7 million Romanians in Transylvania, are asking themselves about the significance of the signing of the basic Romanian-Hungarian political treaty.

A fax sent to our editorial board contains the PUNR leader's 30 questions referring, among other things, to the consequences of the upcoming signing of the document for the NATO integration process and for guarantees offered by the Hungarian Government to cease all hostile actions against our country and all interference in Romania's internal affairs.

The communique signed by Gheorghe Punar stresses that, if the Romanian-Hungarian treaty were to contain answers to many of these questions, it would truly contribute to the conclusion of a treaty of understanding, cooperation, and good neighborliness between Romania and Hungary. The tackling of these subjects would represent genuine, efficient support for the other prerogatives of the Romanian state in the struggle to defend the interests of the Romanian people and of peace and tranquillity in Europe—the PUNR leader points out at the end of his appeal to the Romanian press.

Romania: Country Seen as Possible U.S. Bridgehead
AU1908161596 Bucharest EVENIMENTUL ZILEI
in Romanian 15 Aug 96 p 1

[Editorial by Ion Cristoiu: "Good Signs for Romania From Turkey"]

[FBIS Translated Excerpt] Following World War II, Turkey put an end to its previous ambiguous stance, and became a trustworthy ally of the West. Lately, Turkey's geostrategic role has grown, as an increasingly dangerous congregation of armies of Islamic fundamentalism has appeared on the horizon. It was the Americans, especially, who have been granting Turkey attention out of the ordinary, which is due to the conflicts Washington got involved in with two countries neighboring Turkey: Iran and Iraq. If this country, too, which was brought on the path of democratization with the whip by Kemal Ataturk, is to be hit by the disease of Islamism, the U.S. bridgehead called Turkey will begin to wobble. Under such circumstances—as I have pointed out on other occasions—the Americans and, generally, the Western countries will have to consider setting up another bridgehead in that region. And, also considering other data, such as size of its territory and its population, its military strength, or its location on the map, this new bridgehead cannot be but Romania. As I have pointed out so many times before, our country's joining NATO does not depend either on the political color of the eyes of those who rule our country, or on how deeply we bow at the Sublime Port in the White House, but solely on the moment when the Americans will see themselves compelled to resort to Romania—so far kept in reserve—to act as their bridgehead, taking the place of Turkey in this region. And no doubt, this sudden interest of the Americans in Romania depends on the progress of Islamic fundamentalism in the country of Kemal Ataturk. [passage omitted]

If this process continues, it is more than certain that the Americans will have to consider setting up a bridgehead which so far they have been keeping in reserve: Romania. Under such circumstances it is more than certain that our integration within the euro-atlantic bodies will be given an impetus that nobody would have thought possible so far. As strange as it might seem, all the things currently happening in Turkey, a country led by a government of Islamic fundamentalist orientation, are seen as many good signs for Romania.

Romania: Defense Ministry Modernizes MiG-21 Jets

AU2008141296 Bucharest EVENIMENTUL ZILEI
in Romanian 13 Jul 96 p 4

[Article by Doru Dragomir: "This Fall the Romanian Air Force Will Test the Lance R-SCA MiG-21 Fighter Jet"]

[FBIS Translated Text] The Romanian Air Force and Antiaircraft General Staff of the National Defense Ministry is engaged in a large-scale program to modernize their aircraft. It is working to make the jets safer while flying at night and in bad weather. In the future, the aircraft are to be equipped with more modern weapons, that is, guns with higher firing velocity, as well as guided and modernized air-to-air and air-to-ground missiles. This complex modernization is intended for the MiG-21, as well as the IAR-23 and IAR-99-type aircraft. Currently, the modernization of the MiG-21-type jets is fully under way. The MiG-21 Lance R-type plane is to be available in three variants: the MiG-21 SCS-type, a ground attack one-seater plane; the MiG-21 SCA-type, which is a one-seater air-air fighter; and the MiG-21 DC-type, which is a two-seater. The companies participating in this program include the Aerostar company of the city of Bacau, the Aerofina and Orcas companies of Bucharest, the Comoti company, as well as the Elbit company of Israel.

The contract was signed in 1993. In August 1995, they test flew the SCS variant, while the DC-type was tested in May 1996. The SCS-type one-seater fighter is about to be ready to fly and is to be tested in October 1996.

In the fourth quarter of 1996, they plan to begin the delivery of the MiG-21 Lance R SCS-type jets. The total value of the contract for the modernization of the MiG-21 aircraft amounts to approximately \$300 million.

Slovenia: Kucan, Bosnia's Ganic Meet, Discuss Peace Process

*AU1908201196 Paris AFP in English
1942 GMT 19 Aug 96*

[FBIS Transcribed Text] Sarajevo, Aug 19 (AFP)—Bosnian Federation vice-president Ejup Ganic on Monday met Slovenian President Milan Kucan for talks on the progress of the peace process in Bosnia, the OSLO-BODJENJE news agency reported.

"We discussed a wide range of issues, first of all the implementation of the Dayton peace accords and the upcoming elections in our country," Ganic told reporters after the meeting in the Slovenian capital Ljubljana, according to the agency.

The Bosnian official stressed the importance of bilateral co-operation between the two countries, both former republics of communist Yugoslavia, the agency added.

Ganic, number two in the Bosnian government, has recently been on a series of visits aimed at rebuilding trade links with regional powers. Late last month he visited Belgrade and said last week he hopes a trade delegation from the federal Yugoslavia will visit Sarajevo soon.

Slovenia: Ganic Asks Kucan To Abolish Visas for B-H Citizens

AU1908174396 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 19 Aug 96

[FBIS Translated Text] Ejup Ganic, a member of the Presidency of Bosnia-Herzegovina and vice president of the Federation, held talks with Milan Kucan, president of the Republic of Slovenia, in Ljubljana today. Ganic briefed President Kucan on the main problems in the further implementation of the Dayton agreement, the consistent realization of which represents the basis for a stable peace in the region as a whole.

They also discussed ways to improve cooperation between Bosnia-Herzegovina and the Republic of Slovenia and the need to renew economic cooperation. Ganic stressed that the recent introduction of visas for the citizens of Bosnia-Herzegovina by the Slovene Government has put a stop to 50 percent of the renewed [word indistinct] trade and general economic cooperation, and asked President Kucan to abolish visas.

Slovenia: Kracun Views Ties to Croatia, SFRY Assets

*AU1908210396 Zagreb GLOBUS in Serbo-Croatian
9 Aug 96 pp 13-14*

[Interview with Slovene Foreign Minister Davorin Kracun by Dubravko Grakalic in Ljubljana; date not given:

"Slovene Warship Ankaran Is Not Patrolling Piran Bay To Threaten Croatia: We Will Not Solve Border Problems by Force!"]

[FBIS Translated Text] As soon as he took up office, Davorin Kracun, the recently elected minister of foreign affairs in the Slovene Government, replacing Zoran Thaler, announced that one of the priorities in the work of his ministry was to improve relations with Croatia. The reason for that probably lies in the dissatisfaction of the Slovene public, caused by the unsolved problem of the Bay of Piran, in which there recently arrived the first warship of the Slovene Navy, the Ankaran, which was followed with great attention in the media.

Minister Kracun agreed to give an interview for GLOBUS very quickly, and we talked in his office in the center of Ljubljana only several hours before he left for the island of Pag, where he spends his vacations with his family.

[Grakalic] When you took on the post of minister of foreign affairs of the Republic of Slovenia, you announced plans for improving relations with Croatia and finding a solution to the problems in the relations of the two states. How do you evaluate the recent political and economic relations between Zagreb and Ljubljana?

[Kracun] It is my general evaluation that relations between Croatia and Slovenia are good. We have highly developed cooperation in all spheres, and our two countries are among the most important economic partners for each other. We communicate with Croatia on many levels, and I wish to express my satisfaction with the development of relations between our states.

However, it is true that we lived in a common state that has dissolved in an uncontrolled way. That is why it was not possible to prevent all of the problems of succession and of borders in the manner in which, for example, the Czech Republic and Slovakia managed to do. The dissolution of Yugoslavia left several problems that Croatia and Slovenia have to solve through agreement. They vary, and we can divide them into two groups: problems of the succession of property and those of borders. We are on the way to solving them, we have intense diplomatic contacts, and the efforts made so far have shown that we can do everything alone. However, we will have to do much more in order to solve the consequences of the dissolution of Yugoslavia altogether.

Relations With the Post-Yugoslav States

[Grakalic] Can we compare the relations between Slovenia and Croatia with the relations the government in Ljubljana has with the other post-Yugoslav states?

[Kracun] We cannot view those relations in the same way because Croatia is our immediate neighbor, and relations with neighbors are a priority in foreign policy. The most delicate relations between neighbors are those in which both sides have vital interests. Among all of the states created on the territory of former Yugoslavia, Croatia is the most important partner for Slovenia. With the other post-Yugoslav states, we have different relations. For example, we recently signed a trade agreement with Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], and our relations are good. We are at the beginning of the positive development of political and economic relations with the Republic of Bosnia-Herzegovina as well. Our relations with the Federal Republic of Yugoslavia are, we could say, at a standstill. We have achieved mutual recognition, but we still have no diplomatic relations.

[Grakalic] The so-called FRY recognized Slovenia in 1992, and Slovenia announced the recognition of Belgrade only in 1995. Yet, in both the Slovene and the Serbian public there is much talk about trade between Slovenia and Yugoslavia.

[Kracun] Yes, Yugoslavia recognized Slovenia in the time of Milan Panic [former Yugoslav prime minister], whereas we recognized Belgrade after the Dayton agreement, in order to support the peaceful solution of all conflicts on the territory of the former Yugoslavia.

[Grakalic] To what extent is Slovenia economically and politically oriented toward the states of the former Yugoslavia, and to what extent toward the states of the EU, of which it has recently become an associate member?

[Kracun] Slovenia is primarily oriented toward the EU. Seventy percent of our trade is with the EU, and there are no doubts when it comes to our orientation. Another region toward which Slovene economic and political interests are oriented is the states of Central Europe, in particular the CEFTA [Central European Free Trade Association] group, with which our economic relations are still at a low level, but have been developing fast. The trade growth rate with that region is 50 percent in one year, which is very good for Slovenia. Those are Slovenia's major prospective areas. As for the territory of the former Yugoslavia, we are ready to realize everything that is of mutual economic interest.

[Grakalic] It is known that Slovene businessmen are doing business in the so-called FRY. Therefore, how would you comment on the statement of Mihajlo Milojevic, president of the Chamber of Commerce of the FRY, that he does "not want the establishment of economic relations between Ljubljana and Belgrade"?

[Kracun] The world is big. Our businessmen go wherever they think they can make deals. I leave the last decision on the making of deals to the businessmen; we will conduct a policy that will open the doors of the world for our businessmen.

[Grakalic] The Government of Bosnia-Herzegovina in Sarajevo also prevented the import of Slovene goods to the territory under its control.

[Kracun] That was a misunderstanding that has been solved. A few days ago, we held a successful exhibition of the Slovene economy in Sarajevo. The misunderstanding arose because of visas for the citizens of Bosnia-Herzegovina, because we had introduced a regime that would facilitate the flow of people from state to state. Our friends in Bosnia-Herzegovina expected a visa-free regime, so that disappointed them. But that has now been solved.

[Grakalic] In 1993, there was a similar problem with the sale of goods in Herzeg-Bosnia because you banned cars with the registration plates of Herzeg-Bosnia from entering Slovenia. Do maybe those two examples show that Slovenia is not very skilled in Balkan political relations?

[Kracun] The priority of Slovenia is that of European integration. At the moment, we are most active in the sphere of Euro-Atlantic integrations; the EU and NATO have been preparing the decision on their expansion, and Slovenia is now among the candidates for full membership in those organizations. Although those are our priorities, we do not refuse normal political relations and economic cooperation with the Balkans.

The Bay of Piran

[Grakalic] How do you view the border problems with Croatia?

[Kracun] Concerning that problem, there are two different contexts: the land border and the sea border. The land border, which was the republican border between Croatia and Slovenia in the Socialist Federal Republic of Yugoslavia [SFRY], was not precisely defined in several places. That problem is not that much of a political as of a geodetic nature. An expert commission and a diplomatic commission will solve it, and they have already achieved great advances: Out of 48 doubtful points, 22 have already been solved, and the rest will be solved in the coming few months. In those 26 places on the border, the problems mostly involve differences between the cadastral and natural borders, like the courses of rivers that have changed and so on. One should respect the customs of the people, and there will be no problems. It will be harder to solve the sea border.

[Grakalic] How will the Bay of Piran be divided?

[Kracun] The sea border is a big problem, and our states must agree on the way to solve it. I believe that is a much bigger problem for Slovenia than it is for Croatia. For Croatia, it is a thousandth part of its maritime territory, and for Slovenia it is access to the open sea. We expect understanding from the Croatian side. Of course, diplomatic talks of that sort are long-lasting, which has been proved by several European examples. For example, France and Monaco and Germany and Denmark have solved such problems successfully, but there are also some different examples. The border running through a lake has still not been solved successfully between Germany and Switzerland. It is necessary to enable the people to lead a normal life, to allow the development of economic traffic and tourism, and, in diplomatic negotiations, to achieve an agreement that will be acceptable to both sides.

[Grakalic] Why does Slovenia not accept international arbitration of the sea border?

[Kracun] We do not refuse arbitration as the means of last resort, if we really do not manage to reach an agreement. Yet, it is better for Slovenia and Croatia to show their level of maturity, to show that they are able to solve that problem by themselves. As I said, the Bay of Piran is a very big problem for Slovenia: Maybe on the other side we could do something useful for Croatia, in order to compensate for the Slovene exit to the open sea.

[Grakalic] Can the purchase of the first Slovene warship, the Ankaran, about which all of the Slovene newspapers are writing, be considered to be an opening of the road that will take Slovenia to the open sea?

[Kracun] Slovenia decisively refuses any proposals that involve the use or threat of force in the solution of any international problem. I believe that, in our area, we have enough evidence where that can lead, and any stories about the threat of force are false.

[Grakalic] Some distinguished Slovene politicians, members of parliament, often speak about the Slovene border on the Mirna River—that is, about the Slovene part of Croatian Istria.

[Kracun] We have democracy, political pluralism, and freedom of speech. That is why I cannot comment on all of the initiatives that citizens of Slovenia present. In any case, border problems should be solved as soon as possible, also in order to prevent different radical ideas and speculations.

Road Corridors

[Grakalic] Is the idea of building a tunnel under Slovenia, through which the citizens of Croatia would pass on their way to Italy and Austria, proposed by one of the advisers in your ministry, also an official proposal of the Ministry of Foreign Affairs of the Republic of Slovenia?

[Kracun] No adviser has presented such a proposal, and that is not the official standpoint of the Slovene Government. Of course, we understand the wish of Croatia for better connections with Europe.

[Grakalic] Are Croatian road corridors through Austria and Italy possible?

[Kracun] At the moment, Slovenia is very busy building its highway infrastructure. The road between the coast and the northeastern part of the country, where the situation is unendurable, particularly between Maribor and Ljubljana, is our primary interest. So, that direction is a priority for domestic reasons of ours, but we can agree on possible further priorities in the construction of the Slovene road system.

[Grakalic] Will you widen the road toward Zagreb, which is one of the most important European roads?

[Kracun] The building of a modern traffic infrastructure is in the interest of Slovenia, but the priority now, as I have said, is the diagonal between our southwest and northeast.

[Grakalic] Will Slovenia change its border regime with Croatia?

[Kracun] There have been no such proposals. Now we have a very liberal regime for crossing the border with identity cards. Maybe it would be good to confirm that with an agreement between the two states, but we do not intend to change the border regime.

[Grakalic] How do you view the refusal of the Slovene Council for Telecommunications to grant Croatian television a concession to broadcast its program on the territory of Slovenia, although that program was broadcast via Slovene transmitters for years?

[Kracun] It is not usual for the television network of one state to broadcast its signal on the territory of another because of the problems of copyright, maintenance costs, and so on. It is possible to solve that question on the basis of an agreement between the interested parties; I see no political basis to it—purely an economic one.

The Division of the Property of the Former SFRY

[Grakalic] Milan Aksentijevic, a general of the former JNA [Yugoslav People's Army], has returned to Slove-

nia, and he is now under the competence of the Slovene judiciary. How would you comment on that?

[Kracun] That is a matter for the judiciary and for Slovene law, and not a political issue that I could comment on.

[Grakalic] How does the Slovene Government view the division of the property of the former SFRY?

[Kracun] I believe that the best basis for the solution of that problem is the standpoint of the Badinter Commission, according to which Yugoslavia has disintegrated, and the successors are equal and have to reach an agreement among themselves. Four successor states have one standpoint, and the FRY has another. After all, if we have divided our debts, then, according to the same principle, we can agree on the division of the property. The foreign currency reserves of the former Yugoslavia at the end of 1990 amounted to approximately \$6 billion, and that should be protected and divided among the successor states. That is what Slovene actions are oriented toward.

[Grakalic] Have you tried to reach agreement directly with Belgrade?

[Kracun] Slovenia has no diplomatic relations with Belgrade, and that makes direct communication impossible.

[Grakalic] Is Slovenia interested in a share of the weapons of the former JNA?

[Kracun] Slovenia is principally interested in some of the weapons. It is hard to say what that means in the physical sense, with regard to the fact that Slovenia wants to become a member of the NATO alliance. The question is how usable such material still is. However, we will respect any agreement on the basis of the conclusions of the Badinter Commission.

[Grakalic] When can the admittance of Slovenia into the NATO alliance be expected?

[Kracun] That depends on the decision on the expansion of the alliance. In the opinion of many experts, Slovenia is among the first candidates for membership.

[Grakalic] The British defense secretary has postponed the entry of Slovenia into NATO. Do you expect resistance from those states that resisted Slovene associated membership in the EU?

[Kracun] No, we now have much better relations with Italy, which went through an internal crisis so that its foreign policy was also insecure. Italy has mastered that problem, and we welcome the affirmation of the European orientation of Italian foreign policy, and we count on its support.

Federal

FRY: Equipment Failure Blamed for Russian Plane Crash

LD1908163496 Belgrade TANJUG Domestic Service in Serbo-Croatian 1507 GMT 19 Aug 96

[FBIS Translated Text] Belgrade, 19 Aug (TANJUG)—The Federal Ministry of Transport and Communications has issued a statement saying that a Russian IL-76 cargo plane crashed at 0316 today.

The plane crashed approximately 1.5 kilometers "from the beginning of the runway in the direction 120 [as received]," southwest of Surcin [Belgrade] airport.

All crew members were killed in the crash.

The crash happened three hours and five minutes after the plane had taken off from Surcin airport and following a series of failed attempts to land because of adverse weather conditions; it kept circling above the city, although this is not envisaged by the customary procedure.

There was most probably "a complete failure of navigation and communications instruments on the plane, which thwarted its guidance and control from the airport." Despite this, air traffic control and other expert services at Surcin airport tried to offer help to the aircraft and the crew in the hopeless situation, but to no avail because of the absence of the radio link and the failure of the navigation equipment on the aircraft.

The crash had no impact on routine traffic at Surcin airport.

Zoran Vujovic, federal minister of transport and communications, has visited the scene of the crash.

The commission investigating the causes of the accident of the Federal Ministry of Transport and Communications is continuing work, the statement says.

FRY: Crashed Russian Plane Reportedly Taking Goods to Libya

AU1908195596 Paris AFP in English 1920 GMT 19 Aug 96

[FBIS Transcribed Text] Valetta, Aug 19 (AFP)—A Russian cargo plane which crashed into a cornfield near Belgrade killing all 11 crew-members was taking a consignment of goods to Libya, a spokesman for a Maltese company involved in the shipment said Monday.

The cargo in the Ilyushin-76, which crashed early Monday near Belgrade's Surcin airport after its navigation systems failed, comprised 50 crates of tyres and 10

boxes of clothing for bikers, the spokesman for shipping agency Cassar and Cooper said.

He added that the goods had been cleared by customs and were not violating any UN resolutions taken against the north African country.

The plane, belonging to the Russian company Spair Airlines and headed initially for Malta, burst into flames after crash landing in the cornfield shortly after 3:00 a.m. (0100 GMT).

According to the Serbian press, the plane was carrying military material.

FRY: Government Guarantees Refugee Voting in Bosnian Elections

LD1908153696 Belgrade TANJUG in English 1517 GMT 19 Aug 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, Aug 19 (TANJUG)—The Government of the Federal Republic of Yugoslavia has guaranteed to the representatives of the Organization for Security and Cooperation in Europe (OSCE) that conditions for voting of refugees from Bosnia-Herzegovina would be ensured at all 60 polling stations in FRY and that all security measures would be taken for the safety of both refugees and observers.

The guarantees were given on behalf of the Yugoslav Government by Serbian Commissioner for Refugees Bratislava Morina, who also chairs the Yugoslav commission for assistance to refugees in the exercise of their voting rights, during a meeting Monday with OSCE representatives Adam Amberg and Jerome Leyraud.

Amberg and Leyraud will head the team of OSCE monitors who will arrive in Yugoslavia on Tuesday to supervise the voting of refugees in Bosnian elections which is scheduled for August 28 to September 3 in all third countries, including Yugoslavia.

Morina told OSCE officials that the majority of refugees in Yugoslavia eligible to vote in Bosnian elections had chosen to send their ballots by mail and that many had decided to vote in person.

She underlined that all measures had been taken to organize the transport of voters to Bosnia in mid-September.

Morina also told OSCE officials that the problem of 25,000 elderly, sick or disabled refugees unable to travel to Bosnia and wishing to vote at a location different from their 1991 place of residence had not been resolved yet.

She once again urged OSCE to show understanding for these people and enable them to vote in absentia.

Amberg, who arrived in Yugoslavia five days ago, expressed satisfaction with the activities of the Yugoslav Government commission and added he was sure that the good cooperation between OSCE and the Yugoslav commission would continue.

FRY: Defense Council Reviews Political, Military Situation

*LD1908171496 Belgrade TANJUG in English
1613 GMT 19 Aug 96*

[FBIS Transcribed Text] Belgrade, Aug. 19 (TANJUG)—The Yugoslav Supreme Defence Council at its session Monday, chaired by Yugoslav President Zoran Lilic, positively assessed the hitherto results in the implementation of the Dayton agreement.

The council pointed out Yugoslavia's consistency in the realization of the assumed obligations in the peace process in former Yugoslavia.

A statement released by the presidential military office after the session said the council reviewed current military and political situation in the region, the basic model of organization of the Yugoslav Army by the year 2005, the current financing of the Yugoslav Defence Ministry and the army. The council adopted a decision on some personnel solutions in the army.

The statement said the council also reviewed other issues from its constitutional competence.

In addition to the members of the council, Serbian President Slobodan Milosevic and Montenegrin President Momir Bulatovic, those participating in the session were Yugoslav Prime Minister Radoje Kontic, Yugoslav Defence Minister Pavle Bulatovic, Yugoslav Army Chief of General Staff Lt.-Gen. Momcilo Perisic and council's secretary, Maj.-Gen. Slavoljub Susic.

FRY: Parties Agree on Equal Media Representation

*LD1908193496 Belgrade TANJUG in English
1845 GMT 19 Aug 96*

["Pool" item]

[FBIS Transcribed Text] Belgrade, Aug 19 (TANJUG)—Representatives of political parties and the radio-television organizations of the Federal Republic of Yugoslavia (F.R.Y.) concluded on Monday an agreement on equal media representation of the political parties which will take part in the elections for the lower chamber of the F.R.Y. Assembly (parliament) on November 3.

The agreement was signed by representatives of 33 political parties and by those of the radio and television organizations the founders of which are the state of the F.R.Y. or its federal units, the Republics of Serbia and Montenegro. The agreement remains open by October 6 for signing by all political parties, said the Yugoslav Information Secretariat in an announcement.

The agreement provides for equal representation of political parties through equal numbers and lengths of special TV-radio promotion broadcasts receivable throughout the F.R.Y.

Lots would be drawn for the timetable of presenting each party's program and candidates.

Radio Jugoslavija, TV-Radio Serbia and TV-Radio Montenegro would end their election broadcasts at midnight, October 31.

The meeting on Monday, proposed by the Yugoslav Government, was attended by representatives of 50-odd parties.

Representatives of the parties which announced they would form the election coalition 'Zajedno' (together) walked out when their proposal for the representation of parties was turned down.

Some of the political parties which were prevented from attending this meeting sent telefax messages saying they were ready to sign the agreement.

FRY: SRS, DSS Not To Attend Meeting on Election Media Coverage

*AU1908153496 Belgrade BETA in Serbo-Croatian
0937 GMT 19 Aug 96*

[FBIS Translated Text] Belgrade, 19 August (BETA)—Certain opposition political parties will not take part at today's meeting between representatives of the Federal and Republican Governments, Radio-Television Serbia and that of Montenegro, Radio Yugoslavia, and the parties that intend to take part in the federal elections scheduled for 3 November.

At the meeting, scheduled for 1300 in the Federation Palace, an agreement is supposed to be signed on the number and duration of radio and television broadcasts and the equal presentation of the political parties in the media during the election campaign.

The Serbian Radical Party (SRS) has been invited, but it will not take part in the meeting. BETA was told by the party's secretary.

Asked whether any representative of SRS will be attending the meeting, the secretary replied: "The chairman (Vojislav Seselj) said we will not go."

The Democratic Party of Serbia [DSS] has not been invited, and we will not attend the meeting, Mirko Petrovic, deputy chairman of that party, told BETA.

He assessed today's meeting as "buffoonery" and repeated that the DSS supports roundtable debates at which fundamental questions should be discussed, such as the Law on Constituencies, the financing of parties, and media conditions.

The Democratic Party [DS], the Serbian Renewal Movement [SPO], and the Civic Alliance of Serbia [GSS], which form the Together [Zajedno] coalition, will take part at the meeting and present their proposal, "The Rules of Presentation in Election Campaign for State-Run Media," BETA was told by all three parties.

Tomislav Jeremic, federal deputy of SPO, told BETA that the Together coalition will attend the meeting, where it will present its platform, prepared together with "other democratic opposition forces."

Jeremic said that SPO will be represented at the meeting by the party's spokesman, Ivan Kovacevic.

He said that SPO had not received any formal invitation to the meeting. "Strangely, invitations were being sent to municipalities rather than to parties, so we found out about the meeting from 10 or so municipalities," Jeremic said.

BETA was also told that, although the DS had not received a formal invitation to the meeting, it will still take part.

The GSS will attend the meeting. As BETA was told, it received an invitation today.

The party will be represented by Vojin Dimitrijevic, a member of the Main Committee.

New Democracy [ND] has not been invited, but it will nevertheless take part in the meeting. Radivoje Lazarevic, chairman of the ND Executive Committee, told BETA.

He said that the party will be represented at today's meeting by spokeswoman Rebeka Sribinovic.

The Yugoslav Left [JUL] will take part in the meeting, too. BETA was told that Danilo Pantovic, chairman of the public relations committee, will represent JUL there.

FRY: RTS Agrees To Observe Accord on Media
AU1908205196 Belgrade BETA in Serbo-Croatian 1541 GMT 19 Aug 96

[FBIS Translated Text] Belgrade, 19 August (BETA)—Milorad Komrakov, acting editor in chief of Radio and Television of Serbia (RTS), stated for BETA today that the RTS will respect everything that is stated in

the agreement on the media presentation of parties in the campaign for the federal elections scheduled for 3 November.

Komrakov stated this after the meeting of the representatives of the Federal and Republican Governments, RTS, Radio and Television of Montenegro, Radio Yugoslavia, and representatives of more than 120 political parties.

Asked whether there were any better solutions for the preselection presentation of the parties in the media, Komrakov said that it "was not up to him to comment on that."

"I came here only to sign the agreement. This was done, and I do not have anything else to say," Komrakov said. He is a member of the Main Committee of the Socialist Party of Serbia (SPS).

FRY: Democrats To Encourage Registration of Missing Voters

AU1708181496 Belgrade BETA in Serbo-Croatian 1524 GMT 17 Aug 96

[FBIS Translated Text] Belgrade, 17 Aug (BETA)—The Democratic Party [DS] today announced that more than 100,000 young people who have become of age since 1993 are not included on the voting list.

"More than 200,000 young people in Serbia came of age since 1993 and, thus, acquired the right to vote in the federal elections this year. Analysis by the Democratic Youth, however, showed that more than half of these people are not included on the voting list, although the state has the legal obligation to update them," the Democratic Party states in its statement.

The Democratic Party accuses the Socialist Party of Serbia (SPS) and the Yugoslav Left (JUL) of "being aware that they are losing the elections and, because they cannot ban the opposition parties, opting to ban voters instead."

The Democrats have announced that they would start a campaign of registering young people on the voting list, which will cover more than 50 municipalities in Serbia, over the coming few weeks.

"The SPS will not be able to win these elections with the votes of 'dead souls,'" a statement by the Democratic Party concludes.

Serbia

Serbia: Commentary Views Han-Pijesak, KOA, Police Exercises

AU1908131196 Belgrade POLITIKA
in Serbo-Croatian 16 Aug 96 p 16

[Commentary by Radovan Pavlovic: "The Internal Army"]

[FBIS Translated Text] The Americans have really got their sights on Han-Pijesak. Three times in the last two months, NATO forces have tried to penetrate the most significant Serb military base in Bosnia. And each time, the inspection of the arms depot (that is how it is formally described) was accompanied by serious tensions that threatened to turn into a conflict between Serb troops and IFOR.

The most recent inspection by the multinational forces was carried out in an unusual atmosphere: Before the operation began, entire units were placed on full alert because of alleged threats against U.S. soldiers. It was assessed that in the course of the inspection there could be a series of reprisals against the international forces.

On the other hand, the Bosnian Serbs were just as scared. The Serb military thought that the announced NATO inspection was another attempt to arrest General Ratko Mladic. At that particular time, it was announced, Mladic was in his hideout near Han-Pijesak, which is why the Serb military leadership at first refused the inspection of the arms depot.

However, at the end of the mission, the NATO representatives said that it had not even occurred to them to go after Mladic, nor had they been properly armed for such an operation.

The Pentagon

The base in Han-Pijesak is hidden in a dense forest. During Tito's time, it had been the supreme headquarters of the JNA [Yugoslav People's Army]. It was always covered by a veil of mystery. From the distance, the landscape resembles an ordinary backwoods mountain village, intersected by a meandering path. Several houses can be seen, a shop and a small cafe, as well as a former hotel that now serves as an army barracks.

This description was given on Tuesday [13 August] by an AFP reporter (visiting the area of Han-Pijesak, when the munitions depot was being inspected). Of course, he could go no further, which accounts for the relatively scanty information about Gen. Mladic's "sanctuary" and the main base of the Serb Republic army.

The "Serb Pentagon," as some people call the supreme command, was constructed for the needs of the JNA. In

the event of war, these shelters were planned to serve as the main headquarters for strategic commanding. In the mountains, called Kraljeve Vode, there is a series of well fortified and protected military facilities, underground shelters with sleeping quarters, depots, offices, operations centers, and conference rooms, all equipped with the most modern surveillance devices and radio communications.

The facilities above and below ground make up a small town built in such a way that its residents can safely remain in it for more than six months without any "contact" with the outside world. The base is resistant to atomic attack. The underground shelters, bunkers, and covers, have been constructed in so-called rings in order to prevent any invasion into the command headquarters, and the underground facilities can accommodate an entire regiment of defense units.

Local military experts point out that the Serb "Pentagon" is exceptionally well protected and that any attempt to take it would result in enormous losses. All of this is not unknown to the Americans, not only because of their powerful intelligence machine, but because the base of the top Bosnian Serb army headquarters is also well known to many officers of the Muslim army [Army of Bosnia-Herzegovina] who served in the JNA. This is why, according to assessments, even if there were an attempt to capture the commander of the Serb army, such an operation would certainly not be carried out by attacking the military base in Han-Pijesak.

KOA

A few days ago, the newspapers said that a certain terrorist group had been formed, with a striking name—the Krajina Liberation Army (KOA). And then, as if by some unwritten rule of the media trade, that very same KOA apparently came up with a proclamation and claimed responsibility for a bomb attack in Zagreb.

And so, the KOA really became famous with its first act: They managed to blow up part of the base of a monument to a certain Venceslav Holjevac, who was once, long ago, mayor of Zagreb and a distinguished member of the partisan movement. (Frankly speaking, in that respect, the Croats are far more efficient: In the past five years, since the new regime came to power, they have dismantled or demolished more than 3,000 monuments, statues, and plaques associated with the National Liberation War [communist name for World War II].)

But joking aside, the news that some phantom KOA has been created is undoubtedly a hoax launched from somewhere outside this area, particularly considering

that it was announced in Zagreb that a fax had apparently been received that said that the "the KOA claims responsibility for the terrorist act."

The creation of a Serb terrorist organization is not, nor will ever be, a feature of our people and our tradition. In their consciousness, genetic traits, culture, religion, the Serbs do not have a grain of propensity toward any kind of terrorist organizing. That, for instance, (if we want to make comparisons) cannot be said of the Croats, who have become "famous" for their attacks against embassies and ambassadors.

Even if such a group of adventurers existed, Yugoslavia would have more reasons and motives to prosecute them than any other country, because their activity would cause immense harm to Yugoslavia, particularly because there is great odium in the world against terrorism. The existence of such an organization would definitely undermine the hopes of the people of the Krajina ever to return to their homes and would create even greater hatred against the Serbs in Croatia.

This is why it is not overly ostentatious to claim that the KOA was "created" in an environment that could profit from the strengthening of anti-Serb sentiments by retaining a negative image about the Serbs, as well as by someone who could use such claims and rumors to prevent the return of the Serbs to the lands from where they had been expelled in a brutal ethnic cleansing operation.

Paklenik

All hell broke loose in the firing range of Paklenik. Mortar shells were detonating, machine guns blasting, snipers were firing away, rockets were being fired, and anti-aircraft guns were thundering away...

It was not a military exercise; it was shooting practice for the new recruits of the Police Academy. But what are the police doing, training with bazookas, 20-mm anti-aircraft guns, 60-mm and 82-mm mortars, anyway? Here is a good opportunity for those who always criticize our police not only for being too numerous, but also for being trained as a real army.

Serious analysts warn that there is much unwarranted hullabaloo being raised against the creation of a modern and efficient police force. A retired Yugoslav Army general said: "For solving internal crises, you need to have a so-called internal army, so that such problems do not have to be solved by the regular army." As a matter of fact, developed countries have that—Italy has the carabinieri, while the United States has the National Guard.

Finally, the creation of a strong constabulary is in the spirit of the recently signed Agreement on Subregional Arms Control. Article 11 of this agreement, approved in Florence, allows the signatories (the FRY, Croatia, and Bosnia-Herzegovina, or rather the Serb Republic and the Muslim-Croat federation) to create forces for the defense of the internal order, or more precisely, internal peacetime security forces.

These forces can also have armored combat vehicles. If they need any additional weapons, they can borrow them from the army, but they have to register that fact with the inspectors.

Serbia: Commentary Says Government Planning Devaluation

*AU2008070396 Belgrade NASA BORBA
in Serbo-Croatian 14 Aug 96 p 11*

[Commentary by T. Jakobi: "Will the German Mark Be 4.5 Dinars in September?"]

[FBIS Translated Text] A "mini monetary upset" will occur in late August or early September, after which one German mark will be worth around 4.5 dinars. Reportedly, this scenario is being seriously considered by the state and party leadership of Serbia, after all their attempts to borrow money from foreign banks to pay salaries to employees of educational institutions, the courts, and the finance police, whose salaries are late for the first time (only salaries for the first half of July have been paid out), have failed.

Supposedly, in late July, at the proposal of the head of monetary power, the National Bank of Yugoslavia, a possible devaluation of the dinar was discussed, but there was disagreement over the proposal and it was rejected for the time being.

The arguments in favor of a new dinar rate of 4.5 dinars to the mark are that the present rate is untenable because imports are relatively cheap, while exports, which are not showing good results anyway, are being discouraged. In addition to the devaluation, a certain limited amount of money could be placed into circulation (which was done to a lesser extent in the previous months) to be used to increase production (according to Deputy Governor Ratko Banovic, the growth in the money supply has already exceeded that of production) and to cover the growing obligations mainly to the republic's administration and budget institutions, which appears to be a particularly important item prior to the November elections.

Inflation Expectations Have Grown Stronger

It is also supposed that not everyone would be able to react by raising prices, because importers who sell goods

on the Yugoslav market that have an elastic demand (the consumer does not have to buy them if their price is too high), as well as sections of the domestic economy that cannot sell its products even at the present prices, would not hurry to raise their prices after the devaluation. Additionally, purchasing power would be reduced as a result of lower salaries.

The counterarguments that were presented at the meeting stemmed from experience: The money supply cannot be controlled in one direction, nor can the cash flow be entirely controlled. According to the views presented, around 40 percent of the issued money cannot be controlled and part of the excess unbacked money multiplies the inflation.

The Serbian Government still maintains the view that new money should not be printed and in support of that is the statement of minister coordinator Dragan Tomic that the government will continue to maintain a stable dinar rate in the future. This, of course, is a statement of short-term political significance, because, according to a statement given to *NASA BORBA* by Dr. Dragana Djuric, "inflation expectations have grown significantly stronger," and during a "quiet month" inflation was 6.6 percent.

The idea of devaluation has been replaced in the state structures of Serbia by the already mentioned "mini monetary upset" (similar to those ones that occurred in late 1995), whose timing would be aimed at scoring "positive points" (the payment of salaries to employees in education, the courts, and other budget institutions) in advance of the federal elections in November, thereby postponing the inevitable inflation until after the elections.

Unsuccessful Trip to Switzerland

Circles close to economic party centers in Serbia regard this scenario as almost inevitable, now that employees at educational institutions have threatened to refuse to begin teaching in the academic year starting on 2 September unless the Republic Government pays their salaries for the past two months. The situation in the courts can only be sensed by the relatively quiet but ominous rebellion of employees in the Djindjic case and it is no better at the finance police (a strike force in the campaign to collect income for the budget), which have not received their salaries for the second part of July. The situation in the republic budget is disastrous, because, as Djuradj Novakovic, deputy finance minister, recently admitted at a press conference, only 31 percent of the funds have been collected.

The possibility of borrowing money from a foreign bank has failed: In July a delegation of Yugoslav bankers

went to Switzerland to ask for a \$300,000 loan, but the request was rejected and the bankers were told that Swiss banks would probably not approve loans to Yugoslav partners for the next four years. In spite of promises made by Borka Vukelic, member of a delegation of the FRY at the talks with the London Club, that part of the money in European banks would be unfrozen, not a single Belgrade bank has received any news of such a positive outcome.

Currently, the least problem is the Yugoslav National Bank's hard currency reserves, even though sources close to the central bank claim that these reserves are a mere \$260 million (plus 70 million German marks expected on the basis of approved export loans), including gold reserves. It is claimed that business companies are selling relatively large sums of hard currency because they have no other way of paying their bills and salaries.

[Box, p 11]

Milosevic Is Occupied With Political Problems

A U.S. diplomat who often comes to Belgrade on business told reporters that he had informed President Milosevic several times that, even if the United States lifted the outer wall of sanctions (which is one the key points on which the Serbian Government is counting), it would not improve the economic climate in Serbia. "I have repeatedly brought the best economics experts to President Milosevic, who explained to him that the Yugoslav economy was in such a crisis that it would probably not even be able to fulfill the criteria for an agreement with the IMF, but to no avail," he told reporters.

Sources close to the Government of Serbia claim that the Serbian president is currently preoccupied with complicated political problems (primarily Kosovo) and that he does not have a realistic idea of the economic situation. "His closest party aides, who know that he likes to hear only good news, only give him colored information," the sources claim.

Serbia: DS Accuses Socialists of Trying 'To Congest' Media Space

*AU1908124396 Belgrade BETA in Serbo-Croatian
1008 GMT 18 Aug 96*

[FBIS Translated Text] Belgrade, 18 August (BETA)—The Democratic Party (DS) has today condemned the Federal Government's decision to allow only Radio-Television Serbia journalists to attend a meeting to discuss parties' presentations in the media before the federal elections scheduled for 3 November.

"It is obvious that the regime fears the presence of all journalists at this meeting, because it is aware that the rules being suggested are unjust and senseless," reads a DS statement.

According to the party's assessment, "the desire of the socialist regime is to congest the media space by presenting over 120 parties in Serbia, of which many have been artificially founded as satellites of the Socialist Party of Serbia."

If the socialists demand equal conditions for the elections in Bosnia, then they are obliged to create fair conditions for the elections in Serbia and Montenegro, the statement reads.

Serbia: DSS Says Together Coalition Stance 'Harms' Opposition

AU1908165896 Belgrade BETA in Serbo-Croatian 0839 GMT 19 Aug 96

[FBIS Translated Excerpt] Belgrade, 19 August (BETA)—The Democratic Party of Serbia (DSS) believes that the Together [Zajedno] coalition is pushing the opposition into a defeat by its bad moves, DSS Deputy Chairman Mirko Petrovic told BETA today.

Following the proposal made by the Together coalition regarding the state-run media coverage of the election campaign, Petrovic said that he does not see any point in making such a proposal, because "they (the coalition) stated that they are happy that the elections will be held, regardless of the electoral conditions."

He pointed out that, by such moves, the Together coalition harms opposition parties.

Asked whether the DSS has been invited to the coalition's meeting to discuss that proposal, Petrovic answered that the Democratic Party had consulted the DSS on that matter, but the DSS replied that such a document would make sense only if it were discussed at a round-table between representatives of the authorities and the opposition. [passage omitted]

Montenegro

Montenegro: Social Democratic Party Elects New Chairman

LD1708093896 Belgrade TANJUG Domestic Service in Serbo-Croatian 0835 GMT 17 Aug 96

[FBIS Translated Text] Podgorica, 17 Aug (TANJUG)—The Social Democratic Party (SDS)

of Montenegro announced today that Dr. Cedomir Pejjanovic has been elected as the new party chairman.

Former Chairman Dr. Vidak Vujacic was struck off on the basis of the party statute.

The decision to expel Vujacic was taken by the presidency and executive committee of the SDS, says a statement, adding that he has been stripped of all offices in the party.

Montenegro: Main Opposition Party To Boycott 3 Nov Elections

AU1908210896 Belgrade BETA in Serbo-Croatian 1408 GMT 19 Aug 96

[FBIS Translated Text] Podgorica, 19 Aug (BETA)—The leading opposition parties in Montenegro did not attend today's meeting in the Palace of the Federation in Belgrade at which all interested parties were to sign an agreement on the media presentation of parties during the preelection campaign for the election of deputies to the Chamber of Citizens of the Federal Assembly.

The Liberal Alliance of Montenegro has told BETA that "they are not interested in the agreement considering that the party will not take part in the elections."

Zelidrag Nikcevic, spokesman of the People's Party of Montenegro, told BETA that his party was informed about the meeting very late and that it has authorized Zoran Djindjic, president of the Democratic Party to "decide whether or not to sign the agreement" on behalf of the People's Party.

Dragisa Burzan, representative of the Social Democratic Party (SDP) of Montenegro, told BETA that his party did not send its representative to the meeting in the Federal Ministry of Information because "it is not interested."

Asked whether "this meant that the SDP of Montenegro would not take part in the federal elections," Burzan said that "this has not been decided yet."

BETA has not managed to obtain any information from the ruling Democratic Party of Socialists of Montenegro, but has learned from reliable sources that the party representative was going to the meeting in Belgrade and that he was going to sign the agreement on the media presentation of the parties prior to the 3 November federal elections.

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